Base Prospectus dated 4 February 2015

This document constitutes the base prospectus for purposes of Art. 5.4 of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended (the "**Prospectus Directive**") *of VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe* ("**VIG**" or the "**Issuer**") *in respect of non-equity securities* ("**Non-Equity Securities**") *within the meaning of Art. 22 Nr. 6 (4) of Commission Regulation (EC) No. 809/2004 of 29 April 2004, as amended* (the "**Prospectus Regulation**") (the "**Prospectus**", which term shall include any supplements thereto published from time to time).

VIENNA INSURANCE GROUP

VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe

Incorporated as a joint stock corporation (*Aktiengesellschaft*) under the laws of the Republic of Austria

EUR 400,000,000 Subordinated Notes Programme
(the "**Programme**")

Under this Prospectus, the Issuer, subject to compliance with all relevant laws, regulations and directives, may from time to time issue subordinated securities as specified in the relevant Final Terms (as defined herein, together the "**Notes**"). The aggregate principal amount of Notes outstanding will not at any time exceed EUR 400,000,000 (or the equivalent in other currencies). The principal amount of the Notes, the issue currency, the interest payable in respect of the Notes, the issue prices and maturities of the Notes and all other terms and conditions which are applicable to a particular Series of Notes (each term as defined below, see GENERAL DESCRIPTION OF THE PROGRAMME, commencing on page 57) will be set out in the document containing the final terms (each "**Final Terms**") within the meaning of Art. 26(5) of the Prospectus Regulation (a form of which is contained on page 140) and which together with the Terms and Conditions constitute the applicable "**Terms and Conditions**" for any Series of Notes. This Prospectus has been approved by the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*) (the "**FMA**") in its capacity as competent authority under the Austrian Capital Market Act (*Kapitalmarktgesetz*) (the "**Austrian Capital Market Act**").

Application may be made to list Notes issued under the Programme on the Second Regulated Market (*Geregelter Freiverkehr*) of the Vienna Stock Exchange. Application may also be made to list Notes on the official list of the Luxembourg Stock Exchange and to admit to trading such Notes on the regulated market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*, and, together with the Second Regulated Market (*Geregelter Freiverkehr*) of the Vienna Stock Exchange, the "**Markets**"). However, Notes may be unlisted as specified in the relevant Final Terms.

The Issuer has requested the FMA to provide the competent authority in Luxembourg with a certificate of approval attesting that this Prospectus has been drawn up in accordance with Article 5(4) of the Prospectus Directive and the Austrian Capital Market Act (a "**Notification**"). The Issuer may also request the FMA to provide competent authorities in other host Member States within the European Economic Area with Notifications, subject to the publication of a supplement to this Prospectus in accordance with § 6 of the Austrian Capital Market Act. The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and the Notes are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons.

The accuracy of the information contained in this Prospectus does not fall within the scope of examination by the FMA under applicable Austrian law. The FMA examines the Prospectus only in respect of its completeness, coherence and comprehensibility pursuant to § 8a of the Austrian Capital Market Act. Any significant new factor, material mistake or inaccuracy relating to information contained in this Prospectus which is capable of affecting the assessment of any Notes and which arises or is noted between the time when the Prospectus is approved and the final closing of an offer of such Notes to the public or, as the case may be, the time when trading on a regulated market begins, whichever occurs later, have to be included and published in a supplement to this Prospectus in accordance with § 6 of the Austrian Capital Market Act or a replacement Prospectus.

Prospective investors should have regard to the factors described under the section headed “Risk Factors” in this Prospectus. This Prospectus does not describe all of the risks of an investment in the Notes, but the Issuer believes that all material risks relating to an investment in the Notes have been described.

This Prospectus is valid for a period of twelve months after its approval.

Arranger and Dealer

Erste Group Bank AG

IMPORTANT NOTES

This Prospectus comprises a base prospectus for the purpose of giving information with regard to the Issuer and its subsidiaries and affiliates taken as a whole ("**VIG Group**") and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer. This Prospectus has been drafted according to the Prospectus Directive in respect of non-equity securities within the meaning of the Prospectus Regulation, implementing Annexes IV, V, XII, XX, XXII and XXX.

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus is to be read in conjunction with all documents which are incorporated herein by reference.

The distribution of this Prospectus does not mean that all data contained herein is current as of any time after the date of this Prospectus. In particular, neither the delivery of this Prospectus, nor the offer, sale nor delivery of Notes issued under the Programme means that no adverse changes have occurred or events have happened, which may or could result in an adverse effect in the Issuer's business, financial condition or results of operations.

The Issuer is obliged by the provisions of the Prospectus Directive and the Austrian Capital Market Act, that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Prospectus which is capable of affecting the assessment of any Notes and which arises or is noted between the time when the Prospectus is approved and the final closing of an offer of such Notes to the public or, as the case may be, the time when trading on a regulated market begins, whichever occurs later, the Issuer shall prepare a supplement to this Prospectus or publish a replacement Prospectus for use in connection with any subsequent offering of the Notes and shall supply to the FMA and the stock exchange operating the Markets such number of copies of such supplement or replacement hereto as relevant applicable legislation require.

No person has been authorised to give any information or to make any representation other than as contained in this Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Arranger or any Dealer (as defined under the GENERAL DESCRIPTION OF THE PROGRAMME, commencing on page 57). Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the VIG Group since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the VIG Group since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to US persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see SUBSCRIPTION AND SALE, commencing on page 159.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of any of the Issuer, the Dealers or the Arranger to subscribe for, or purchase, any Notes.

The Arranger and the Dealers have not separately verified the information contained in this Prospectus. Neither the Arranger nor any of the Dealers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus. Neither this Prospectus nor any financial statements supplied in connection with the Programme or any Notes are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Prospectus or any financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus or any financial statements and its purchase of Notes should be based upon any such investigation as it deems necessary. None of the Arranger of the Dealers undertakes to review the financial condition or affairs of the Issuer or the VIG Group during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Arranger or the Dealers.

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

Prospective investors should have regard to the factors described under the section headed "Risk Factors" commencing on page 32 of this Prospectus. This Prospectus identifies in general terms certain information that a prospective investor should consider prior to making an investment in the Notes. However, a prospective investor should conduct its own thorough analysis (including its own accounting, legal and tax analysis) prior to deciding whether to invest in any Notes issued under the Programme as any evaluation of the suitability for an investor of an investment in Notes issued under the Programme depends upon a prospective investor's particular financial and other circumstances, as well as on specific terms of the relevant Notes and, if it does not have experience in financial, business and investment matters sufficient to permit it to make such a determination, it should consult its financial adviser prior to deciding to make an investment on the suitability of any Notes.

The maximum aggregate principal amount of Notes issued under the Programme outstanding at any one time will not exceed EUR 400,000,000 or the equivalent in other currencies. The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to publication of a supplement to this Prospectus in accordance with § 6 of the Austrian Capital Market Act.

In this Prospectus, unless otherwise specified or the context otherwise requires, references to Euro or EUR are to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community (as amended from time to time).

The financial information set forth in this Prospectus has been rounded for ease of presentation. Accordingly, in certain cases, the sum of the numbers in a column in a table may not conform to the total figure given for that column. Percentage figures included in this Prospectus have been calculated on the basis of rounded figures. Accordingly, in certain cases it is possible that the percentages in the text differ from the percentages based on the actual values.

SOURCES OF INFORMATION

Information on the Issuer's and or the VIG Group's financial figures contained in this Prospectus are (insofar as no other source is mentioned) derived from the Issuer's 2013 Audited Consolidated Financial Statements or the Unaudited Consolidated Financial Statements as of 30 September 2014 (depending on to which date the information refers to).

Information regarding markets, market size, market share, market position, growth rates and other industry data pertaining to the VIG Group's business (Industry and Market Data) contained in this Prospectus consists of estimates based on data and reports compiled by professional organizations and analysts, on data from other external sources, and on the Issuer's knowledge of the markets.

In certain cases, there is no readily available external information (whether from trade associations, government bodies or other organizations) to validate market-related analyses and estimates, requiring the Issuer to rely on internally developed estimates. While the Issuer has compiled, extracted and reproduced market or other industry data from external sources, including third parties or industry or general publications, neither the Issuer nor the Arranger or any Dealer (each as defined) have independently verified that data. Information in this Prospectus which is based on third-party sources has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Subject to the foregoing, neither the Issuer nor the Arranger or any Dealer can assure investors of the accuracy and completeness of, and take no responsibility for, such data. The source of such third-party information is cited whenever such information is used in this Prospectus. While the Issuer believes its internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither the Issuer nor the Arranger or any Dealer can assure potential investors as to their accuracy and that a third party using different methods to assemble, analyse or compute market data would obtain the same result. The Issuer does not intend, and does not assume, any obligations, to update industry or market data set forth in this Prospectus. Finally, behaviour, preferences and trends in the marketplace tend to change. As a result, investors should be aware that data in this Prospectus and estimates based on that data may not be reliable indicators of future results. Neither the Issuer nor the Arranger or any Dealer intend, nor assume any obligation to update this market and industry data, except as required by § 6 of the Austrian Capital Market Act.

STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or overallotment shall be conducted in accordance with all applicable laws and rules.

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RESPONSIBILITY STATEMENT

VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe, with its registered office in Vienna, Austria, is solely responsible for the information given in this Prospectus and for the information which will be contained in the Final Terms (as defined herein).

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

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents which have been previously published or are published simultaneously with this Prospectus and which have been filed with the FMA and shall be deemed to be incorporated by reference in, and form part of, this Prospectus, all of which shall be deemed to be incorporated by reference in, and to form part of, this Prospectus and which shall be deemed to modify or supersede the contents of this Prospectus to the extent that a statement contained in any such document is inconsistent with such contents. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus with respect to any Notes issued thereafter:

Document / Heading	**Page reference in the relevant document**
Group Annual Report 2013 containing the audited consolidated (i.e. VIG together with its consolidated affiliates taken as a whole) financial statements for the year 2013 (non-binding English translation of the German language version) (the "**2013 Audited Consolidated Financial Statements**")	
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Investors should note that the English translations of the 2013 Audited Consolidated Financial Statements, the 2012 Audited Consolidated Financial Statements, the 2013 Audited Non-consolidated Financial Statements and the 2013 Audited Non-consolidated Financial Statements which are incorporated into this Prospectus by reference have not been audited but only the German language originals of such documents which can be retrieved on the website of the Issuer (http://www.vig.com/de/investor-relations/downloads/geschaeftsberichte.html).

For the avoidance of doubt, such parts of the documents listed above which are not explicitly listed in the table above, are not incorporated by reference into this Prospectus. Any information not listed above, but included in the documents incorporated by reference is either not relevant for the investor or covered elsewhere in the Prospectus. Any information incorporated by reference that is not included in the table above, is considered as additional information and is not required by the Prospectus Regulation.

Any document incorporated by reference into this Prospectus will be available free of charge from the specified offices of the Issuer and the Paying Agent set out at the end of this Prospectus.

AUDITORS

The German language consolidated financial statements of the Issuer in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and the supplementary provisions of § 245a of the Austrian Business Code (*Unternehmensgesetzbuch*) and § 80b of the Insurance Supervision Act, consisting of the consolidated balance sheet, the consolidated shareholders' equity, the consolidated income statement, the consolidated comprehensive income, the consolidated cash flow statement, the segment reporting, the summary of significant accounting principles, risk reporting and the explanatory notes to the consolidated financial statements for the business year ended 31 December 2013 were audited by KPMG Austria GmbH[1] Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and for the business year ended 31 December 2012 were audited by PWC INTER-TREUHAND GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft.

The audits were conducted in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing and with International Standards on Auditing (ISA), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). The German language audit opinions for the consolidated financial statements of the Issuer for the year ended 31 December 2013 was rendered on 25 March 2014.

The auditors and their responsible employees are members of the Austrian Chamber of Chartered Accountants, Schönbrunner Straße 222-228/1/6, A-1120 Vienna.

During the period covered by the financial information referred to above, other than the regular change of the auditors from PWC INTER-TREUHAND GmbH Wirtschaftsprüfungs- und

[1] The legal form of KPMG Austria AG Wirtschaftsprüfungs- und Steuerberatungsgesellschaft has been changed from a stock corporation (*Aktiengesellschaft*) into a corporation with limited liability (*Gesellschaft mit beschränkter Haftung*). As of registration with the Commercial Register on 22 August 2014 the company name of KPMG Austria AG Wirtschaftsprüfungs- und Steuerberatungsgesellschaft is thus replaced by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft.

Steuerberatungsgesellschaft (for the financial year 2012) to KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (for the financial year 2013) which occurred, auditors have neither been relieved from their duties, nor have they resigned or not been reappointed.

CONSENT BY THE ISSUER TO THE USE OF THE PROSPECTUS

The Issuer consents that all credit institutions pursuant to the Directive 2013/36/EU acting as financial intermediaries subsequently reselling or finally placing the Notes (together, the "**Financial Intermediaries**") are entitled to use the Prospectus during the relevant offer period during which subsequent resale or final placement of the relevant Notes can be made, provided however, that the Prospectus is still valid in accordance with § 6a of the Austrian Capital Market Act which implements the Prospectus Directive in Austria and Luxembourg and such other Member State of the European Economic Area whose competent authorities have been notified of the approval of this Prospectus for the subsequent resale or final placement of Notes.

The Issuer accepts responsibility for the information given in this Prospectus also with respect to the subsequent resale or final placement of the Notes by Financial Intermediaries.

The consent by the Issuer to the use of the Prospectus for subsequent resale or final placement of the Notes by the Financial Intermediaries has been given under the condition that (i) potential investors will be provided with the Prospectus, any supplement thereto and the relevant Final Terms and (ii) each of the Financial Intermediaries ensures that it will use the Prospectus, any supplement thereto and the relevant Final Terms in accordance with all applicable selling restrictions specified in this Prospectus and any applicable laws and regulations in the relevant jurisdiction.

In the applicable Final Terms, the Issuer can determine further conditions attached to its consent which are relevant for the use of this Prospectus.

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

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

SUMMARY

*This summary is made up of disclosure requirements known as elements (the "**Elements**"). These Elements are numbered in sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of securities and the Issuer. As some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and the Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the specification of "Not applicable".*

A. INTRODUCTION AND WARNINGS

A.1	Warning	This summary (the "**Summary**") must be read as an introduction to the prospectus (the "**Prospectus**") of VIG's EUR 400,000,000 Subordinated Notes Programme (the "**Programme**"). Any decision by an investor to invest in notes issued under the Prospectus (the "**Notes**") should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States of the European Economic Area, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe ("**VIG**" or the "**Issuer**"), Schottenring 30, 1010 Vienna who tabled the Summary, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such Notes.
A.2	Consent by the Issuer to the use of the Prospectus	The Issuer consents that all credit institutions pursuant to the Directive 2013/36/EU acting as financial intermediaries subsequently reselling or finally placing the Notes (together, the "**Financial Intermediaries**") are entitled to use the Prospectus during the relevant offer period during which subsequent resale or final placement of the relevant Notes can be made, provided however, that the Prospectus is still valid in accordance with § 6a of the Austrian Capital Market Act which implements the Prospectus Directive in Austria and Luxembourg and such other Member State of the European Economic Area whose competent authorities have been notified of the approval of this Prospectus for the subsequent resale or final placement of Notes.

		The Issuer accepts responsibility for the information given in this Prospectus also with respect to the subsequent resale or final placement of the Notes by Financial Intermediaries.
	Any other clear and objective conditions attached to the consent which are relevant for the use of the Prospectus	The consent by the Issuer to the use of the Prospectus for subsequent resale or final placement of the Notes by the Financial Intermediaries has been given under the condition that (i) potential investors will be provided with the Prospectus, any supplement thereto and the relevant Final Terms and (ii) each of the Financial Intermediaries ensures that it will use the Prospectus, any supplement thereto and the relevant Final Terms in accordance with all applicable selling restrictions specified in this Prospectus and any applicable laws and regulations in the relevant jurisdiction. In the applicable Final Terms, the Issuer can determine further conditions attached to its consent which are relevant for the use of this Prospectus.
	Notice in bold informing investors that, in the event of an offer being made by a financial intermediary, this financial intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made	**In the event of an offer being made by a Dealer and/or a further financial intermediary the Dealer and/or the further financial intermediary shall provide information to investors on the terms and conditions of the offer at the time the offer is made.** **Any financial intermediary using the Prospectus shall state on its website that it uses the Prospectus in accordance with this consent and the conditions attached to this consent.**

B. THE ISSUER

B.1	Legal and commercial name	The legal name of the Issuer is "VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe", its commercial names are "VIG" and "Vienna Insurance Group".
B.2	Domicile / Legal form / Legislation / Country of incorporation	VIG is a stock corporation (*Aktiengesellschaft*) organised and operating under Austrian law, registered with the companies register (*Firmenbuch*) at the Commercial Court of Vienna (*Handelsgericht Wien*) under the registration number FN 75687f. VIG's registered office is in Vienna. Its business address is Schottenring 30, 1010 Vienna, which is also where its main office is located.
B.4b	Known trends affecting the Issuer and the industries in which it operates	Investment results are likely to remain under pressure due to low interest rates and the continued uncertainty surrounding sovereign debts. Over the coming years, the CEE region will continue to be a region that is economically heterogeneous, in the sense of showing a North-South divide, and dependent on the strength of the Euro-zone. The historically low interest rate levels could have negative effects on the Issuer's life insurance business.
B.5	Description of the group and	The Issuer is both, an operating insurance company

	the Issuer's position within the group	and the parent company of the multinational Vienna Insurance Group (the Issuer, together with its consolidated affiliates, the "**VIG Group**"). The Issuer and the VIG Group are also part of the group of Wiener Städtische Wechselseitiger Versicherungsverein – Vermögensverwaltung – Vienna Insurance Group which has its registered office in Vienna. The VIG Group is a large international insurance group in the CEE region based on gross premiums written, which amounted to EUR 7,038.6 million in the first three quarters in 2014 (first three quarters in 2013: EUR 7,050.1 million). VIG Group has property/casualty, life and/or health insurance business operations in Austria and in 24 other countries, primarily in the CEE region. In the CEE region, VIG Group is active in Albania, Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Georgia, Hungary, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Serbia, Slovakia, Slovenia, Turkey, and Ukraine. VIG Group also operates in Germany, Liechtenstein and Italy.
B.9	Profit forecast or estimate	Not applicable; no profit forecast or estimate has been made.
B.10	Nature of any qualifications in the audit report on the historical financial information	Not applicable; there are no qualifications.
B.12	Selected historical key financial information	

in millions of Euro (rounded)	31 December 2013 audited	31 December 2012 audited (restated)
Total assets	41,977	42,311
Shareholder's equity	5,020	5,689
Net earned premiums – retention	8,479	8,972
Profit before taxes	355	564
Net profit/loss for the year	256	445

(Source: 2013 Audited Consolidated Financial Statements)

in millions of Euro (rounded)	30 September 2014 unaudited	31 December 2013 audited
Total assets	44,265	41,977
Shareholder's equity	5,452	5,020

in millions of Euro (rounded)	1 January to 30 September 2014 unaudited	1 January to 30 September 2013 unaudited
Net earned premiums – retention	6,327	6,364
Profit before taxes	431	316
Net profit/loss for the period	339	232

(Source: Unaudited Consolidated Financial Statements as of 30 September 2014)

	No material adverse change in the prospects of the Issuer	As of the date of the Prospectus, there has been no material adverse change in the prospects of the Issuer since the date of the 2013 Audited Consolidated Financial Statements.
	Significant changes in the financial or trading position	Not applicable. There has been no significant change in the financial and trading position of the Issuer since 30 September 2014.
B.13	Recent events	Not applicable; there are no recent events particular to the Issuer that are to a material extent relevant to the evaluation of the Issuer's solvency.
B.14	Statement of dependency upon other entities within the group	The Issuer is the parent company of VIG Group and thus, dependent on the business results of the operations of all of its affiliates, subsidiaries and group companies.
B.15	Principal activities	VIG Group has life and/or non-life insurance business operations in Austria and in 24 other countries, primarily in the CEE region. VIG Group's business activities comprise the business lines (i) property and casualty insurance; (ii) life insurance; and (iii) health insurance. *Property and Casualty Insurance*. VIG Group offers certain property and casualty insurance products to private persons, households, and small, mid-sized, and large enterprises under various brand names in Austria, Germany and the CEE region, including motor vehicle and non-motor vehicle insurance (the so-called "non-motor vehicle insurance classes"), which also encompasses accident insurance. The specific type of insurance offered differs in the countries in which VIG Group operates, and the individual composition of the products can vary from country to country. *Life Insurance*. The life insurance business of VIG Group includes conventional risk and protection products as well as savings and pension products. The latter include annuity insurance, unit- and index-linked products as well as government-subsidized retirement pension plans. The range of products offered by VIG Group differs from country to country. *Health Insurance*. Health insurance products are

		primarily sold by VIG Group in Austria and Georgia through individual and group insurance policies. Private health insurance primarily provides a supplement to state social insurance. The most important areas are special care (health) insurance (*Sonderklasseversicherung*), daily allowance insurance (*Taggeldversicherung*), and insurance for outpatients' medical expenses.
B.16	To the extent known to the Issuer, state whether the Issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control.	The Issuer's principal shareholder is Wiener Städtische Wechselseitiger Versicherungsverein – Vermögensverwaltung – Vienna Insurance Group. Wiener Städtische Wechselseitiger Versicherungsverein – Vermögensverwaltung – Vienna Insurance Group holds shares representing approximately 70% of the share capital of the Issuer.
B.17	Credit ratings assigned to an issuer or its debt securities at the request or with the cooperation of the issuer in the rating process.	In 2014, the Issuer submitted itself to another interactive rating by S&P. In the results of the evaluation published in July 2014, S&P confirmed the Issuer's Financial Strength Rating and Counterparty Credit Rating of "A+", which it had issued in July 2005. The outlook of the Issuer was rated as "stable". The following securities issued by VIG are have been assigned ratings from S&P which are currently as follows: • "EUR 250.000.000 Tief nachrangige, fest und variabel verzinsliche Inhaberschuldverschreibungen ohne Fälligkeitstag" (EUR 250,000,000 deeply subordinated, fix to floating rate bearer notes without maturity) issued under the EUR 500,000,000 Hybrid Debt Issuance Programme (ISIN: AT0000A09SA8): A- • "EUR 180.000.000 Ergänzungskapitalanleihe 2005-2022" (EUR 180,000,000 Supplementary Capital Notes 2005-2022) (ISIN AT0000342696): A- • "Variable Ergänzungskapitalanleihe 2005" (Floating Supplementary Capital Notes 2005) (ISIN AT0000342704): A- • "EUR 500,000,000 Subordinated Notes due 2043" issued pursuant to the Euro 500,000,000 Subordinated Debt Issuance Note Programme (ISIN: AT0000A12GN0): A-

C. SECURITIES

C.1	Class and type of the Notes / ISIN	**Class and Type** The Notes are issued in bearer form and are represented by a Temporary Global Note exchangeable for a Permanent Global Note. Definitive Notes and coupons will not be issued.

		The Notes initially bear a fixed interest until the First Call Date (as defined below) and consequently a floating interest rate at a rate determined on the basis of a reference interest rate appearing on the agreed screen page of an information provider plus a margin. **Issuance in Series** The Notes are issued as Series number **[●]**, Tranche number **[●]**. **Security Identification Numbers** **[**ISIN: ●**]** **[**WKN:●**]**
C.2	Currency	The Notes are issued in **[*insert specified currency*]**.
C.5	Restrictions on free Transferability	Not applicable. The Notes are freely transferable.
C.8	Rights attached to the Notes (including ranking of the Notes and limitations to those rights)	**Rights attached to the Notes** Each holder of a Note (each a "**Noteholder**") has a right *vis-à-vis* the Issuer to claim payment of interest and nominal when such payments are due in accordance with the Terms and Conitidions of the Notes. **Status of the Notes** The obligations of the Issuer under the Notes constitute direct, unsecured and subordinated obligations of the Issuer which rank: (a) junior to all present or future unsubordinated instruments or obligations of the Issuer; (b) *pari passu* among themselves, and at least *pari passu* with all other present or future unsecured instruments or obligations of the Issuer which rank, or are expressed to rank junior to all unsubordinated obligations or **[*In case of Subordinated Dated Notes (Option II) insert:*** , including obligations in relation to supplementary capital (*Ergänzungskapital*) pursuant to § 73c (2) of the Austrian Insurance Supervision Act**]** of the Issuer (the "**Parity Instruments**"); and (c) senior to all present or future instruments or obligations of the Issuer which rank, or are expressed to rank, junior to the obligations of the Issuer under the Notes, including obligations in relation to, participation capital (*Partizipationskapital*) pursuant to § 73c (1) of the Austrian Insurance Supervision Act as well as share capital of any class and any other tier 1 own-funds item pursuant to Applicable Supervisory Law of the Issuer (all such obligations and shares, the "**Junior Instruments**"). In the event of the dissolution, liquidation, insolvency or any proceeding to avoid insolvency of the Issuer,

payments will not be made under the Notes until all claims against the Issuer which pursuant to the above are expressed to, or by operation of law, rank senior to the obligations of the Issuer under the Notes will first have been satisfied or secured in full.

Where:

"**Applicable Supervisory Law**" means (i) the provisions of Austrian insurance regulatory law, including (but not limited to) the Austrian Insurance Supervision Act; (ii) Solvency II, after the Solvency II Implementation Date; (iii) any regulations, standards, guidelines, rulings, decisions or other rules as well as generally recognised administrative practices of the Supervisory Authority; and/or (iv) any standards or guidelines of the European Insurance and Occupational Pensions Authority (EIOPA) or any such successor authority, in each case, regarding capital requirement purposes of the Issuer, the Issuer's group and/or the group of Wiener Städtische Wechselseitiger Versicherungsverein – Vermögensverwaltung – Vienna Insurance Group (the "**WST-Versicherungsverein**") and as amended from time to time.

"**Austrian Insurance Supervision Act**" means the Austrian Insurance Supervision Act (*Versicherungsaufsichtsgesetz* - VAG), as amended from time to time.

"**Supervisory Authority**" means the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde* - FMA) or any successor authority responsible to supervise the Issuer, the Issuer's group and/or the group of WST-Versicherungsverein pursuant to the Applicable Supervisory Law.

"**Solvency II**" means the rules under (i) Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) (recast); (ii) any other respective legislative acts of the European Union, including (but not limited to) the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II); and/or (iii) Austrian law implementing the same, including (but not limited to) the Austrian Insurance Supervision Act 2016 (*Versicherungsaufsichtsgesetz 2016 – VAG 2016*), in each case, as amended from time to time.

"**Solvency II Implementation Date**" means the date on which Solvency II becomes part of the Applicable Supervisory Law, but not before 1 January 2016, or any later date, in case of a postponement of Solvency II.

[*In case of Subordinated Undated Notes (Option I) insert:* "**Supplementary Capital**" means supplementary capital (*Ergänzungskapital*) pursuant to § 73c (2) of the Austrian Insurance Supervision Act, eligible as own funds (*Eigenmittel*). "**Tier 1**" means own-fund items recognised as tier 1 own-fund items under the transitional provisions of Solvency II.**]**

"**Tier 2**" means own-fund items eligible as tier 2 own-funds pursuant to Solvency II.

Limitations of the rights attached to the Notes

Optional and compulsory deferral of interest payments

Interest which accrues during an interest period ending on but excluding an Optional Interest Payment Date will be due and payable (*fällig*) on that Optional Interest Payment Date, unless the Issuer elects to defer the relevant payment of interest.

If a Mandatory Suspension Event has occurred with respect to any Interest Payment Date, interest which accrued during the period ending on but excluding such Interest Payment Date will not be due and payable (*fällig*) on that Interest Payment Date.

Any such non-payment of interest will not constitute a default of the Issuer or any other breach of its obligations under the Notes or for any other purpose.

Accrued interest in respect of an Interest Period not due and payable as set out above will constitute arrears of interest. In certain circumstances, the Issuer may be obliged to, or may be prohibited from, paying arrears of interest.

Where:

"**Applicable Insolvency Law**" means the provisions of the relevant insolvency laws, including (but not limited to) the Austrian the Austrian Insolvency Code (*Insolvenzordnung* - *IO*), and any rules and regulations thereunder (including any applicable decision of a court) applicable to the Issuer, as amended from time to time.

Where:

"**Compulsory Interest Payment Date**" means any Interest Payment Date in respect of which a Compulsory Interest Payment Event occurred during twelve months before the relevant Interest Payment Date, and in respect of which no Mandatory Suspension Event has occurred and is continuing.

A "**Compulsory Interest Payment Event**" means any of the following events:

(i) the most recent ordinary general meeting of shareholders (*ordentliche Hauptversammlung*) of the Issuer has validly resolved on any dividend, other distribution or payment in respect of any Junior Instruments or Parity Instruments; or

(ii) any payment on account of the balance sheet profit has been made by the Issuer since the most recent ordinary general meeting of shareholders of the Issuer; or

(iii) the Issuer, directly or indirectly through any of its subsidiaries, has repurchased for cash shares of any class (with the exception of repurchases in connection with stock option or stock ownership programmes for management or employees of the Issuer or affiliates of the Issuer made in the ordinary course of business).

An "**Insolvency Event**" will have occurred in respect of a payment of interest, arrears of interest or principal on the Notes or a repurchase of the Notes, if the Issuer would become insolvent in accordance with the Applicable Insolvency Law as a result thereof.

A "**Mandatory Suspension Event**" will have occurred with respect to the date on which any payment of interest and/or Arrears of Interest is scheduled to be paid under these Terms and Conditions, if:

(a) such payment would result in, or accelerate, the occurrence of an Insolvency Event; or

(b) the Supervisory Authority has prohibited the Issuer from making payments under the Notes; or

(c) a Solvency Capital Event either has occurred on or prior to such date and is continuing on such date or would be caused by such payment by the Issuer of interest and/or Arrears of Interest on the relevant date, unless:

(i) on or prior to such date, the Supervisory Authority has exceptionally given, and not withdrawn by such date, its prior approval to the payment of the relevant interest and/or Arrears of Interest despite the Solvency Capital Event; and

(ii) the payment of the relevant interest and/or Arrears of Interest on the Notes does not further weaken the solvency position of the Issuer, the Issuer's group and/or the WST-Versicherungsverein’s group; and

(iii) the minimum capital requirement (MCR) (howsoever described in the Applicable Supervisory Law) pursuant to the Applicable Supervisory Law is complied with after the payment of the relevant interest and/or Arrears of Interest is made **[*In case of***

Subordinated Undated Notes (Option I) insert: ; or

(d) prior to the Solvency II Implementation Date, and to the extent required for the Notes to be eligible as Supplementary Capital of the Issuer, the Issuer's group and/ or the WST-Versicherungsverein's group, such a payment is not covered by the annual profit (*Jahresüberschuss*) of the Issuer calculated pursuant to § 73c (2)(2) of the Austrian Insurance Supervision Act (annual profit under commercial law prior to net changes of reserves) as shown in the most recent audited (*geprüft*) and determined (*festgestellt*) unconsolidated financial statements of the Issuer pursuant to the accounting principles generally accepted in the Republic of Austria as described in applicable Austrian law**]**.

"**Optional Interest Payment Date**" means each interest payment date in respect of which no Compulsory Interest Payment Event occurred during the twelve months before the relevant interest payment date, and in respect of which no Mandatory Suspension Event has occurred and is continuing.

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

[*In case of Subordinated Undated Notes (Option I) insert:* if:

(i) prior to the Solvency II Implementation Date, the Issuer, the Issuer's group and/or the WST-Versicherungsverein's group do not have sufficient own funds to cover the required minimum solvency margin in accordance with Applicable Supervisory Law; and

(ii) upon or after the Solvency II Implementation Date,**]** if the own funds (howsoever described in the Applicable Supervisory Law) of the Issuer, the Issuer's group and/or the WST-Versicherungsverein's group are not sufficient to cover the solvency capital requirement (SCR) or the minimum capital requirement (MCR) or any other applicable capital requirements (in each case, howsoever described in the Applicable Supervisory Law), whichever occurs earlier, pursuant to the Applicable Supervisory Law, and if a deferral of interest or a non-payment of Arrears of Interest or a non-repayment of principal or non-repurchase is required, respectively, pursuant to the Applicable Supervisory Law for the Notes **[*In case of Subordinated Undated Notes (Option I) insert:*** to be recognized as Tier 1 of the Issuer, the Issuer's group and/or the WST-Versicherungsverein's group or**]** to be eligible as Tier 2 of the Issuer, the Issuer's group and/or the

WST-Versicherungsverein’s group.

No Redemption at the Option of a Noteholder

The Noteholders do not have a right to demand the redemption of the Notes.

Early Redemption upon Early Redemption Events or at the Option of the Issuer

The Issuer may, upon prior notice and subject to the Conditions to Redemption being fulfilled on the date fixed for redemption, repay or redeem the Notes (in whole, but not in part) at their Redemption Amount any time in case of an Early Redemption Event. The Issuer may, upon prior notice and subject to the Conditions for Redemption being fulfilled on the date fixed for redemption, redeem the Notes (in whole, but not in part) at their Redemption Amount on the First Call Date and on each following Interest Payment Date.

[*In case of Subordinated Undated Notes (Option I) insert:*

However, prior to the Solvency II Implementation Date, the Issuer may repay or redeem the Notes before the fifth anniversary of the Issue Date only, if this would not prevent the Notes to be eligible as Supplementary Capital of the Issuer, the Issuer's group and/or the WST-Versicherungsverein’s group.**]**

Where:

The "**Conditions to Redemption**" are fulfilled on any day with respect to a scheduled redemption or a planned repurchase of the Notes, if:

[*In case of Subordinated Undated Notes (Option I) insert:*

(a) prior to the Solvency II Implementation Date:

  (i) the redeemed or repurchased principal amounts have been replaced by other at least equivalent own funds of at least equal quality or if the Supervisory Authority has given its prior approval to the redemption or the repurchase; and

  (ii) the Supervisory Authority has given, and not withdrawn by such day, its prior approval to redeem or repurchase the Notes; and

  (iii) no limitations on payment in full of any unpaid accrued interest and/or Arrears of Interest exist at the time of the redemption; or

(b) upon or after the Solvency II Implementation Date:**]**

  (i) a redemption payment or a repurchase would not result in, or accelerate, the occurrence of an Insolvency Event; and

(ii) no Solvency Capital Event has occurred and is continuing or would be caused by the redemption or the repurchase of the Notes, unless:

(A) the Supervisory Authority has exceptionally given, and not withdrawn by such date, its prior approval to the redemption of the Notes and the payment of the Redemption Amount or to the repurchase of the Notes despite the Solvency Capital Event; and

(B) the capital is replaced by another tier 1 or tier 2 basic own-fund item of at least the same quality with the approval of the Supervisory Authority; and

(C) the minimum capital requirement (MCR) (howsoever described in the Applicable Supervisory Law) pursuant to the Applicable Supervisory Law is complied with after the redemption of the Notes and the payment of the Redemption Amount or the repurchase of the Notes is made; and

(iii) the Supervisory Authority has given, and not withdrawn by such day, its prior approval to redeem or repurchase the Notes; and

(iv) in the event of **[**a redemption or**]** a repurchase of the Notes prior to the First Call Date, the capital has been replaced by another tier 1 or tier 2 basic own-fund item of at least the same quality (if such replacement is required at that time for the Notes to be eligible as Tier 2 of the Issuer, the Issuer's group and/or the WST-Versicherungsverein group under the Applicable Supervisory Law).

At any time the Issuer may, by publishing a notice to the Noteholders, waive any, some or all of its rights to call the Notes for redemption for the period of time as specified in the notice. In this case, these Terms and Conditions shall be deemed to be amended accordingly and the Issuer will not be entitled to call the Notes for redemption during the period of time as specified in such notice.

[[*In case of Subordinated Undated Notes (Option I) and if "a redemption or" is not included above, insert:* Furthermore, the Issuer may at any time, by publishing a notice to the Noteholders, restrict any, some or all of its rights to call the Notes for redemption such that the Issuer will only be entitled to so redeem the Notes following a call for redemption during the period of time as specified in such notice if the capital has been replaced by another tier 1 or tier 2 basic own-fund item of at least the same quality with the prior approval of the Supervisory Authority (if such approval is required pursuant to the Applicable Supervisory Law at the time).**]**

An "**Early Redemption Event**" occurs,

[*In case of Subordinated Undated Notes (Option I) insert:*

[*if "a redemption or" is not included above, insert:* if, on or after the Issue Date and prior to the First Call Date, a gross-up event, a tax event, a regulatory event, an accounting event or a rating agency event occurs.**]**

[*if "a redemption or" is included above, insert:* if: (i) on or after the Issue Date, a Regulatory Event occurs; or (ii) on or after the fifth anniversary date of the Issue Date, a gross-up event, a tax event, an accounting event or a rating agency event occurs.**]**

[*In case of Subordinated Dated Notes (Option II) insert:*

if: (i) on or after the Issue Date, a Regulatory Event occurs; or (ii) on or after the fifth anniversary date of the Issue Date, a gross-up event, a tax event, an accounting event or a rating agency event occurs.**]**

"**Redemption Amount**" means an amount per Note equal to the Specified Denomination plus any interest accrued on such Note to but excluding the date of redemption but yet unpaid and, for the avoidance of doubt, any Arrears of Interest due on such Note **[*In case of Subordinated Undated Notes (Option I) insert:*** and minus net losses, if any.**]]**

No Events of Default

The Terms and Conditions of the Notes do not provide for events of default entitling Noteholders to cancel the Notes and demand redemption.

Limitation

The limitation period is three years in respect of interest due and **[**30**]** **[**ten**]** years in respect of principal due.

Substitution

The Issuer is entitled at any time without the consent of the Noteholders to be substituted as Issuer by any other company appointed as Issuer under this Programme in respect of all obligations arising from or in connection with the Notes, if certain conditions are fulfilled.

		Repurchases Subject to the Conditions to Redemption being fulfilled the Issuer and any of its subsidiaries may purchase Notes in the market or otherwise.
C.9	see Element C.8	
	Interest rate	The Notes bear interest from and including their Interest Commencement Date to but excluding **[*insert First Call Date*]** (the "**First Call Date**") at the rate of **[*insert rate of interest*]**% *per annum*. Thereafter, the Notes will bear interest at a rate of **[*insert margin*]** percentage points above the **[*insert reference rate*]**.
	Interest commencement date	**[*insert Interest Commencement Date*]** is the "**Interest Commencement Date**" of the Notes.
	Interest payment dates	Before the First Call Date interest will be paid on **[*Insert Fixed Interest Payment Date*]** in each year. Thereafter, interest will be paid on **[*In the case of Specified Interest Payment Dates insert*: [*insert Floating Specified Interest Payment Dates*]** in each year**] [*In the case of Specified Interest Periods insert*:** each date which falls **[*insert number*] [*weeks*] [*months*]** after the preceding floating interest payment date or, in the case of the first floating interest payment date, after the First Call Date**]** subject to the applicable Business Day Convention.
	Underlying on which interest rate is based	The fixed interest is not based on any underlying. The floating interest rate is based on the **[*insert reference rate*]**.
	Maturity date including repayment procedures	**[*In case of Subordinated Undated Notes (Option I) insert*:** **No Scheduled Maturity** The Notes are perpetual and have no scheduled maturity date. However, under certain conditions as set forth in the Terms and Conditions, the Issuer may repay or redeem the Notes.**]** **[*In case of Subordinated Dated Notes (Option II) insert*:** **Redemption at Maturity** To the extent not previously redeemed, the Notes will be redeemed at the Redemption Amount per Note on the Final Maturity Date. Where: "**Final Maturity Date**" means either (i) if on the Scheduled Maturity Date the Conditions to Redemption (as defined below) are fulfilled, the Scheduled Maturity Date; or (ii) the first floating interest payment date following the Scheduled Maturity Date on which the Conditions to Redemption are fulfilled. "**Scheduled Maturity Date**" means the Floating

		Interest Payment Date falling in **[*insert redemption month/year for Scheduled Maturity Date*].]** **Payment of principal** Payment of principal in respect of the Notes shall be made to the clearing system or to its order for credit to the accounts of the relevant accountholders of the clearing system upon presentation and (except in the case of partial payment) surrender of the global note representing the Notes at the time of payment at the specified office of the Paying Agent outside the United States. **Manner of payment** Payments of amounts due in respect of the Notes shall be made in the freely negotiable and convertible currency which on the respective due date is the currency of the country of the Specified Currency. **Initial Paying Agent** The initial Paying Agent is **[**Erste Group Bank AG, Graben 21, A-1010 Vienna, Austria**] [*insert other*]**.
	Indication of yield (while Fixed Interest Period)	**[●]**
	Name of representative of the Noteholders	Not applicable. No Joint Representative has been appointed in the Terms and Conditions.
C.10	see Element C.9	
	Explanation how the value of the investment is affected in the case the Notes have a derivative component in the interest payment	Not applicable. The Notes do not have a derivative component in the interest payment.
C.11	Admission to trading on a regulated market or equivalent market/ Indication of the market where the Notes will be traded and for which the Prospectus has been published	**[**Application has been made for the Notes to be admitted to the "*Geregelter Freiverkehr*" (Second Regulated Market) of the *Wiener Börse AG (Vienna Stock Exchange)*.**]** **[**Application has been made to list Notes on the official list of the Luxembourg Stock Exchange and to admit to trading such Notes on the regulated market of the Luxembourg Stock Exchange (*Bourse de Luxembourg.***]** **[**Not applicable; no application for the admission of the Notes to a regulated market has been made.**]**
C.15	A description of how the value of the investment is affected by the value of the underlying instrument(s), unless the securities have a denomination of at least EUR 100 000.	Not applicable; the Notes are no derivative securities.
C.16	The expiration or maturity	Not applicable; the Notes are no derivative securities.

	date of the derivative securities – the exercise date or final reference date.	
C.17	A description of the settlement procedure of the derivative securities.	Not applicable; the Notes are no derivative securities.
C.18	A description of how the return on derivative securities takes place.	Not applicable; the Notes are no derivative securities.
C.19	The exercise price or the final reference price of the underlying.	Not applicable; the Notes are no derivative securities.
C.20	A description of the type of the underlying and where the information on the underlying can be found.	Not applicable; the Notes are no derivative securities.

D. RISKS

D.2 Key information on the key risks that are specific to the Issuer

Risk Factors regarding VIG and VIG Group

- There is a risk that the Issuer is affected by negative developments in the financial and economic environment.
- Failure of VIG Group's risk management to properly evaluate actuarial risks, market risks, strategic risks, operational risks, liquidity risks or any other applicable risks could have material adverse effects on the results of operations of VIG Group. VIG Group's risk management strategies and internal control procedures may leave it exposed to unidentified or unanticipated risks.
- VIG Group is exposed to market risks. Interest rate fluctuations may have a negative impact on the earnings of the Group.
- Market risks may reduce the value of the equity portfolio and negatively influence the financial and earnings position of the Issuer.
- VIG Group is exposed to counterparty default risk.
- Transactions in currencies other than the Euro and VIG's activities outside the Euro-zone entail currency risks.
- Rating agencies may suspend, downgrade or withdraw a rating of VIG or of a country where VIG Group is active, and such suspension, downgrade or withdrawal could have material adverse effects on VIG's business.
- Actual results could deviate from the actuarial and other assumptions made in calculating the actuarial reserves in the life and health insurance business and embedded value.
- An incorrect estimate of facts underlying losses may lead to setting

incorrect premiums and to inadequate loss reserves.

- Climate changes and natural disasters may cause considerable losses.
- Any decline in the availability of reinsurance, any increase in reinsurance costs, in particular as a consequence of natural catastrophes and terrorism, and/or an inability to pay, or untimely payment by reinsurers could have a material adverse effect on the earnings of VIG Group.
- The Issuer's subsidiaries in the CEE region are subject to increased political and economic risks associated with these countries.
- It may be difficult for the Issuer to make further acquisitions and/or to identify new suitable acquisition targets, and future acquisitions may contain hidden liabilities and may prove to be difficult to integrate into VIG Group.
- Changes in existing, or new, governmental laws or regulations in the countries in which VIG Group operates may have a material adverse effect on its results of operations.
- A new regulatory framework for insurance companies (Solvency II) will increase regulatory requirements (including own funds and governance).
- Changes in applicable tax law can reduce the demand for certain insurance products.
- The Issuer is exposed to tax risks with respect to the U.S. Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS).
- Proposals for the future accounting under IFRS may cause higher capital costs and pressure on share prices.
- Competition is intense in the countries where VIG Group operates and may increase significantly in the future.
- VIG Group is exposed to a risk of losses due to any inadequacy or failure of internal proceedings, people, systems (in particular information technology systems), or external events, whether caused deliberately or accidentally or by natural circumstances (operational risk).
- Any failure or interruption in or breach of VIG Group’s information systems, and any failure to update such systems, may result in lost business and other losses.
- VIG Group may have difficulty recruiting or retaining qualified employees.
- VIG Group is exposed to the risk of damages as a result of criminal manipulation.
- The Issuer is depending from the economical success of the entire VIG Group
- Under Austrian law, the solvency ratios of VIG Group have to be complied with at the WST-Versicherungsverein level. A failure by the Issuer, VIG Group and/or the WST-Versicherungsverein’s group to implement the Solvency II requirements adequately and/or in a timely manner may trigger measures by the supervisory authority and have a material adverse

effect on the Issuer's, VIG Group's and/or the WST-Versicherungsverein's Group's reputation and rating, the confidence of their customers, their financial situation and their overall business.

- The Issuer might be required to write off its claims under certain subordinated notes issued by HETA ASSET RESOLUTION AG

D.3 Key information on the key risks that are specific to the securities

Risk Factors regarding the Notes

- Notes may not be a suitable investment for all investors; each potential investor in the Notes must determine the suitability of such investment in light of its own circumstances.
- The obligations of the Issuer under the Notes constitute unsecured and subordinated obligations which are subordinated to the claims of all unsubordinated creditors of the Issuer.
- The Issuer is under no obligation to redeem the Notes either at all or before their Scheduled Maturity Date (if any).
- The Redemption Amount may not be paid in full due to incurred net losses (*Nettoverluste*).
- Interest may not be due and payable (fällig) on the scheduled Interest Payment Date and payment of the resulting Arrears of Interest may be subject to conditions.
- Noteholders are exposed to the risk of partial or total failure of the Issuer to make interest and/or redemption payments under the Notes, including a total loss of the invested capital (credit risk).
- The market value of the Notes could decrease if the creditworthiness of the Issuer and VIG Group worsens.
- The Notes may not be redeemed at the option of the Noteholders, and any rights of the Issuer to redeem or repurchase the Notes prior to their scheduled maturity date (if any) are subject to the prior approval of the supervisory authority.
- Noteholders assume the risk that the credit spread of the Issuer changes (credit spread risk).
- Noteholders are exposed to market price risk in any sale of Notes (market price risk).
- The Terms and Conditions do not contain any express events of default provision and no Noteholder termination rights.
- The capital structure of the Issuer depends on the eligibility of the Notes as own funds.
- There is a risk that trading in the Notes will be suspended, interrupted or terminated.
- There can be no assurance that a liquid secondary market for the Notes will develop or, if it does develop, that it will continue. In an illiquid market,

a Noteholder may not be able to sell his Notes at fair market prices.

- The Issuer is not limited to issue further debt and guarantees.
- The Issuer may not be entitled to make certain payments under the Notes.
- Due to future money depreciation (inflation), the real yield of an investment may be reduced.
- There is a risk that Noteholders may not be able to reinvest proceeds from the Notes at equal conditions (reinvestment risk).
- Noteholders for whom the issue currency represents a foreign currency are exposed to the risk of changes in currency exchange rates.
- An Austrian court can appoint a trustee for the Notes to exercise the rights and represent the interests of Noteholders on their behalf in which case the ability of Noteholders to pursue their rights under the Notes individually may be limited.
- Ratings of the Notes, if any, may not reflect the potential impact of all risks and may be subject to change or withdrawal at any time.
- Fixed rate notes have a market risk.
- Floating rate notes may suffer a decline in interest rate.
- A change of the interest rate may affect the secondary market and the market value of the Notes (fixed-to-floating rate Notes).
- Because the Global Notes are held by or on behalf of the relevant Clearing System(s), Investors will have to rely on their procedures for transfer, payment and communication with the Issuer.
- Legal investment considerations may restrict certain investments.
- The transaction costs may reduce the earnings from the Notes.
- Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges when implementing the transaction.
- The Savings Directive requires Member States to provide details of payments of interest and other similar income to the tax authorities of another Member State.
- The Issuer or any other non-U.S. financial institution may be required to withhold U.S. tax according to the U.S. Foreign Account Tax Compliance Act.
- Margin lending may increase the risk to a Noteholder of non-performance of the Notes.
- The Notes are governed by Austrian law, and changes in applicable laws, regulations or regulatory policies may have an adverse effect on the Issuer, the Notes and the Noteholders.
- The applicable Final Terms of the Notes may stipulate shorter limitation periods than the general limitation periods under Austrian civil law

E. OFFER

E.2b	Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks:	The net proceeds from the issue of any Notes will be used by the Issuer for its general funding purposes which is also the reason for the offer. Furthermore, the Issuer intends to increase its own funds under Solvency II.
E.3	Description of the terms and conditions of the offer:	**Aggregate principal amount** **[**up to**] [*insert aggregate principal amount of the Notes*]** **Issue price** **[*insert Issue Price*]** **Minimum/Maximum subscription size** **[*insert minimum/maximum subscription size*]** **Subscription Period** **[*insert start and end of subscription period of the Notes*]** **Underwriting** **[*insert any underwriting or distribution by dealers or distributors*]** **Further Conditions of the Offer** **[*insert a summary of further conditions of the offer according to the Final Terms*]**
E.4	Description of any interest that is material to the issue/offer including conflicting interest:	The Issuer is entitled to purchase or sell Notes for its own account or for the account of third parties and to issue further Notes. In addition, the Issuer may, on a daily basis, act on the national and international finance and capital markets. Therefore, the Issuer may, for its own account or for the account of its clients, also close transactions with regard to reference rates and it may, with regard to such transactions, act in the same manner as if the Notes had not been issued. **[*specify further description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest, if any*]**
E.7	Estimated expenses charged to the investor by the Issuer or the offeror:	**[**Not applicable as no such expenses will be charged to the investor by the Issuer or the offeror/s.**] [*insert description of any such costs*]**

RISK FACTORS

Prospective investors should carefully review the following risk factors in conjunction with the other information contained in this Prospectus before making any investment in the Notes. If any one or more of these risks materialize, individually or together with other circumstances, they may have a material adverse effect on VIG Group's business, results of operations and financial condition.

Prospective investors should note that the risks described below are not the only risks the Issuer faces. The Issuer has described only those risks relating to its business, operations, financial condition or prospects that it considers to be material and of which it is currently aware. There may be additional risks that the Issuer currently considers not to be material or of which it is not currently aware, and any of these risks could have the effects set forth above.

The order in which the individual risks are presented does not provide an indication of the likelihood of their occurrence nor of the severity or significance of the individual risks.

Prospective investors should also read the detailed information set out elsewhere in this Prospectus and should consult with their own professional advisers (including their financial, accounting, legal and tax advisers) and reach their own views prior to making any investment decision.

Words and expressions defined in the sections entitled "Terms and Conditions of the Notes" shall have the same meanings in this section "Risk Factors".

This section "Risk Factors" comprises the following parts:

I. Risk Factors regarding VIG and VIG Group;

II. Risk Factors regarding the Notes.

I. Risk Factors regarding VIG and VIG Group

Each of the Issuer related risks highlighted below could have a material adverse effect on the Issuer's business, operations, financial condition or prospects which, in turn, could have a material adverse effect on the amount of principal and interest (if any) which investors will receive in respect of the Notes. In addition, each of the Issuer related risks highlighted below could adversely affect the trading price of the Notes or the rights of investors under the Notes and, as a result, investors could lose some or all of their investment.

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes to be issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes to be issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate.

There is a risk that the Issuer is affected by negative developments in the financial and economic environment.

VIG Group's financial results are, amongst others, subject to market risk. Risk can arise, among others, from adverse changes in interest rates, credit spreads, foreign exchange rates, equity prices and other relevant parameters, such as market volatility. For example, the current global economic and financial crisis led to a re-evaluation of risks, particularly credit risks. Similarly, the Euro-zone sovereign debt crisis and concerns over the viability of the European Union have further increased uncertainties in the financial markets. The probability of default increased across many asset classes, including sovereign debt, resulting in a multitude of credit rating downgrades and widening credit spreads. In addition, price volatility of many financial assets such as equities, credit and structured products increased significantly. At the same time, liquidity in the markets for these assets decreased substantially, making it difficult to sell certain assets at reasonable prices.

As of 31 December 2013, VIG's real estate portfolio had a book value of EUR 2,675.5 million as of (market value of EUR 3,382.9 million): The real estate portfolio represents approximately 9% of VIG Group's total investment portfolio. As of 31 December 2013, approximately 83.44% of VIG Group's real estate portfolio consisted of investment properties (the remainder are self-used properties). Investment property consists of land and buildings that are held to earn rental income or for capital appreciation and not for the provision of services, administrative purposes or for sale in the ordinary course of business. With respect to its investment properties, VIG Group is exposed to the risks of vacancies, to detrimental changes in tenancy laws and to the risk of insolvency of tenants in all regions where VIG is active.

While the risks to the global economy are still substantial, the market continues to be concerned about a potential increase in inflation as well as a longer deflationary period, rising unemployment, limited availability and higher cost of credit, renewed pressure on real estate and mortgage markets, sovereign indebtedness, in many developed countries, particularly the Euro-zone and the United States, as well as geopolitical and other risks (e.g. the Ukraine crisis). As a consequence, volatility may increase, and the prospects for the global economy and global capital markets remain challenging. There is a risk that global economic growth remains subdued, or even turns into a recession.

Within the Euro-zone, adverse scenarios being driven by the uncertainty surrounding the European sovereign debt crisis might lead to a Euro crisis. The sovereign debt-related difficulties in several Euro-zone countries, including, but not limited to, Cyprus, Greece, Italy, Portugal and Spain, continue together with the risk of contagion to other more stable countries, in particular Germany. To address the high levels of public debt, many countries are curbing government spending, thereby negatively affecting their respective gross domestic products. This situation has also raised a number of questions regarding the stability and overall standing of the Euro-zone, the potential reintroduction of national currencies in one or more Euro-zone countries or, in particularly dire circumstances, the abandonment of the Euro.

On 29 December 2014, the Greek parliament failed to elect a president, forcing an early snap election scheduled for 25 January 2015. This resulted in the Athens stock market falling by almost 5% in a single day and Greek 10-year bond yields rising to a new high of 9.5%. The main reasons for these significant market reactions are polls pointed to an election win for Syriza, the far-left Greek Populist Party led by Alexis Tsipras. Although Mr. Tsipras affirms that he wants to keep Greece in the Euro, he also wants to dump most of the conditions for the bail-out packages for Greece, ending austerity, reversing cuts in the minimum wage and in public spending, scrapping asset sales and seeking to repudiate much debt. These anewed discussions about the potential exit of Greece from the Euro-zone (so-called "Grexit"), may have a negative impact on the Euro and the whole European financial market. With about 99 percent of votes counted, Syriza was set to win 149 seats in the 300 seat parliament, with 36.3 percent of the vote, around 8.5 percentage points ahead of the conservative New Democracy party of Prime Minister Antonis Samaras (27.8 percent or 76 seats). With 6.3 percent (17 seats), the far right radical party Golden Dawn (*Goldene Morgenröte*) was on third place. Following his appointment, Greek Prime Minister Alexis Tsipras halted privatization of Greece's biggest port, signaling he aims to stick to election pledges despite warnings from the euro zone and financial markets. Upon such announcements, Greek markets experienced turmoils, with bank shares falling and investors fearing the anti-bailout government might be set on a collision course with the country's European Union and IMF creditors. The economic and market effects of the situation in Greece are unpredictable.

The occurrence of such adverse scenarios or another adverse event might result in higher levels of financial market volatility, especially in the equity and foreign exchange markets, lower interest rates due to monetary policy response, increased challenges in the banking sector, including bank run scenarios, where large number of customers withdraw their deposits, as well as bond impairments and increased bond spreads due to a flight to quality and other difficult to predict spill-over effects. Since VIG Group has significant parts of its business and investment exposures in countries that might be affected by a spreading of the sovereign debt crisis the occurrence of any such adverse scenarios would most likely have unforeseeable adverse impacts on the VIG Group's business and financial condition.

Factors such as consumer spending, investments, government spending, the volatility and strength of the capital markets, inflation and others all affect the business and economic environment and, ultimately, the profitability of VIG Group. In an economic downturn characterized by higher unemployment, lower family income, lower corporate earnings, lower levels of investments and consumer spending, the demand for the VIG Group's financial and insurance products could be adversely affected. In addition, VIG Group may experience an elevated incidence of claims and lapses or surrenders of policies. VIG Group's policyholders may choose to defer paying insurance premiums or stop paying insurance premiums altogether. Also, a spike in inflation especially without a corresponding increase in interest rates may negatively affect VIG Group's property/casualty business. Moreover, VIG Group companies are a significant underwriter of unit-linked and other investment-oriented products, for which sales have decreased due to customer concerns regarding their exposure to the financial markets. Adverse changes in the economy could affect VIG Group's earnings negatively and could have a material adverse effect on VIG Group's business and its financial condition, including shareholders' equity.

Thus, the financial results of VIG Group may come again under pressure. VIG Group's management cannot assess how the global economy and the global financial markets will develop in the near future. A further deterioration of the global economy or a prolongation of the economic crisis could detrimentally affect the assets, financial position and net income of VIG Group and thus, limit the Issuer's ability to render payments under the Notes. Furthermore, the historically low interest rate levels could have negative effects on the Issuer's life insurance business.

Failure of VIG Group's risk management to properly evaluate actuarial risks, market risks, strategic risks, operational risks, liquidity risks or any other applicable risks could have material adverse effects on the results of operations of VIG Group. VIG Group’s risk management strategies and internal control procedures may leave it exposed to unidentified or unanticipated risks.

Actuarial risks arise from the fact that VIG Group guarantees future payments, which have to be calculated in advance. Market risks comprise all risks resulting from changes in value of investments due to unforeseen fluctuations in yield curves, share prices and currency exchange rates and the risk of changes in the market value of real estate and participations. Strategic risks arise from the question of which parameters the success of VIG Group is dependent upon in the long-term and how these parameters are influenced by external factors (such as changes in the economic environment, case law or the regulatory environment). Operational risks result from deficiencies or errors in business processes, controls or projects caused by technology, employees or external factors. Liquidity risk arises from the need to match the investment portfolio to the insurance obligations. All of the above mentioned risks are managed under the risk management of VIG Group. However, it should be noted that the intensity the Issuer is exposed to these risks may differ between the markets where VIG Group is active which can make it harder for the Issuer to manage these risks. If one or more of the above mentioned risks is not managed properly, this could have a material adverse effect on the assets, financial condition and results of operation of VIG Group.

VIG Group’s risk management techniques and strategies have not been, and may in the future not be, fully effective in mitigating VIG Group’s risk exposure in all economic market environments or against all types of risks, including risks that it fails to identify or anticipate. Some of VIG Group's quantitative tools and metrics for managing risks are based upon its use of observed historical market behaviour. VIG Group applies statistical and other tools to these observations to arrive at quantifications of risk exposures. During the recent financial crisis, the financial markets experienced unprecedented levels of volatility and the breakdown of historically observed correlations across asset classes, compounded by extremely limited liquidity. In this volatile market environment, VIG Group's risk management tools and metrics failed to predict some of the losses it experienced and may in the future under similar conditions of market disruption fail to predict future important risk exposures. In addition, VIG Group's quantitative modelling cannot take all risks into account and makes numerous assumptions regarding the overall environment, which may or may not materialise. As a result, risk exposures have arisen and could continue to arise from factors not anticipated or correctly evaluated in VIG Group's statistical models. This has limited and could continue to limit VIG Group's ability to manage its risks, especially in light of the ongoing European sovereign debt crisis, many of the outcomes of which are currently unforeseeable. If circumstances arise that VIG Group did not identify, anticipate or correctly evaluate in developing its statistical models, losses could be greater than the maximum losses envisaged under its risk management system. Furthermore, the quantifications cannot take all risks or market conditions into account. If the measures used to assess and mitigate risks prove insufficient, VIG Group may experience material unanticipated losses, which could have a material adverse effect on its business, financial condition and results of operations.

VIG Group is exposed to market risks. Interest rate fluctuations may have a negative impact on the earnings of the Group.

VIG Group is exposed to market risks, i.e., the risk of suffering losses as a result of changes in market parameters. For VIG Group, interest rates and issuer spreads are the most relevant parameters for market risk. Ignoring investments held for the account of and at the risk of policyholders, VIG Group's investments consist largely of fixed-income securities. The majority of these securities are denominated in Euro and Czech koruna. Consequently, interest rate fluctuations in these currencies have an effect on the value of such financial assets.

The effects of interest rate fluctuations or ongoing low interest rate environment are the following:

- *Write-downs*. Book value is influenced by changes in the interest rate level; if interest rates rise, the market value of these securities generally falls.
- *Profit margin*. Interest-rate fluctuations influence VIG Group's ability to earn the minimum guaranteed interest rate in the life insurance business. A decline in VIG Group's return on investments to below the guaranteed interest rate used in determining product prices would reduce the profit margin in the life insurance business or even result in losses.
- *Attractiveness of products*. The sales success of unit- and index-linked retirement provisions products depends on the volatility of capital markets. Fluctuations in the capital markets, in particular due to fluctuation of interest rates, influence the attractiveness of all life insurance products, among others unit- and index-linked life insurances. Interest rate levels have a direct influence on the fluctuations in current interest income and the value of the interest-bearing investments. Thus, interest rate fluctuations directly influence the value of VIG Group's bond portfolio and the further sale of these products, or can lead to repurchases of already existing contracts.
- *Reinvestment*. Upon the maturity of higher-interest securities, a lower interest level at the time of reinvestment in interest-bearing securities will lead to a decline in net earnings.

Following the above, interest rate fluctuations may have a material adverse effect on the financial and earnings position of VIG Group and could limit the Issuer's ability to render payments under the Notes.

Market risks may reduce the value of the equity portfolio and negatively influence the financial and earnings position of the Issuer.

The equity portfolio of VIG Group, including shares of consolidated funds, as of 30 September 2014 is approximately 4% of total investments including other investments. This equity portfolio includes mainly investments in a number of Austrian companies as well as from other western markets. The volatility on equity markets increased generally in 2014. In case of negative developments, this could lead to considerable revaluation effects which may have a substantial negative impact on VIG Group's annual result and may lead to a decrease of the shareholders equity.

VIG Group is exposed to counterparty default risk.

VIG Group is exposed to counterparty risk in connection with its business and investment activities with customers, trading counterparties, and reinsurers. Due to insolvency, a lack of liquidity, an economic downturn or a decline in real estate values, business management errors or other reasons, these counterparties may no longer be in a position to honor their obligations towards VIG Group. The current uncertain investment climate and the lack of certainty in the capital markets could lead to an increase in valuation allowances for VIG Group assets due to payment defaults and downgrading of third party credit ratings. A general downward economic trend could lead to increasing valuation allowances, which could have a material adverse effect on VIG Group's results of operations.

Transactions in currencies other than the Euro and VIG's activities outside the Euro-zone entail currency risks.

Due to the internationalization of VIG Group's business activity, especially through its subsidiaries in the CEE region, and due to capital investments made in currencies other than the Euro, VIG Group is exposed to currency risks. As VIG Group's companies in the Czech Republic, Poland, Romania, Serbia, Ukraine, Hungary, Croatia and Bulgaria provide a significant contribution to the earnings of VIG Group on a consolidated basis, a devaluation of the currencies of these countries in relation to the Euro represent a particularly significant risk for VIG as this would lead to the capital contributions of such subsidiaries to decline in value expressed in Euro. Currency fluctuations between the Euro and currencies of countries outside the Euro-zone in which VIG Group generates income and has expenses can materially adversely affect the earnings, the shareholders' equity and the cash flow of VIG Group and thus limit the Issuer's ability to render payments under the Notes.

Rating agencies may suspend, downgrade or withdraw a rating of VIG or of a country where VIG Group is active, and such suspension, downgrade or withdrawal could have material adverse effects on VIG's business.

VIG's credit ratings are important to its business. A rating is the opinion of a rating agency on the credit standing of an issuer, i.e., a forecast or an indicator of a possible credit loss due to insolvency, delay in payment or incomplete payment to the investors. It is not a recommendation to buy, sell or hold securities. Such credit ratings have been issued by credit rating agencies established in the EU and registered in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009.

In 2014, VIG submitted itself to another interactive rating by S&P. In the results of the evaluation published in July 2014, S&P re-confirmed the Issuer's Financial Strength Rating and Counterparty Credit Rating of "A+" initially issued in July 2005. The outlook of the Issuer was rated as "stable". (Source: S&P)

A rating agency may in particular suspend, downgrade or withdraw a rating. A rating may also be suspended or withdrawn if VIG were to terminate the agreement with the relevant rating agency or to determine that it would not be in its interest to continue to supply financial data to a rating agency. A downgrading of the rating may lead to a restriction of access to funds and, consequently, to higher refinancing costs. A rating could also be negatively affected by the soundness or perceived soundness of other financial institutions.

A rating agency may also suspend, downgrade or withdraw a rating concerning one or more countries where VIG Group operates or may publish unfavourable reports or outlooks for a region or country where VIG Group operates. Moreover, if a rating agency suspends, downgrades or withdraws a rating or publishes unfavourable reports or outlooks on Austria, this could increase the funding costs of VIG Group.

Any downgrade of the credit rating of VIG or any member of VIG Group, or of the Republic of Austria or any other country in which VIG Group has significant operations, could have the following consequences

- *Borrowing*. An adverse effect on its ability to borrow financial resources in the money and capital markets at conditions similar to those available to it today.
- *Tenders*. Because participation in tenders for insurance contracts with corporate customers often requires a minimum credit rating, a downgrading in its credit rating could have negative effects on VIG Group's ability to compete in the market for corporate customers.

All of these factors could have a material adverse effect on the assets, financial position and earnings of VIG Group and thus, limit its ability to render payments under the Notes.

Actual results could deviate from the actuarial and other assumptions made in calculating the actuarial reserves in the life and health insurance business and embedded value.

The assumptions used by VIG Group in assessing the appropriateness of its actuarial reserves and in calculating the embedded value in its life and health insurance segments may differ from actual future results. VIG Group calculates its actuarial reserves and the associated embedded value in this segment based on recognized actuarial methods and assumptions. These assumptions include estimates of the long-term interest rate trend, returns on investment, the allocation of investments among shares, interest-bearing instruments and other categories, net income participations, mortality and morbidity rates, lapse rates as well as future costs. Changes in these assumptions or incorrect assumptions may lead to an increase of the actuarial reserves for the life and health insurance business as well as the reserves for pension obligations and to changes in the embedded value and may thus have material adverse effects on the financial condition and results of operation of VIG Group.

VIG Group also has a considerable portfolio of policies with guaranteed minimum interest rates, including annuity and endowment insurance. On existing policies, VIG Group guarantees a minimum interest rate averaging around 2.92% *per annum* (2013). If interest rates continue to stay below the guaranteed average minimum rate for any length of time, VIG Group could be forced to use its equity capital to subsidise reserves for these products. This could have a material adverse effect on the earnings of VIG Group.

An incorrect estimate of facts underlying losses may lead to setting incorrect premiums and to inadequate loss reserves.

In line with normal industry practice, as well as accounting and regulatory requirements, VIG Group companies, under the supervision of VIG Group actuarial office, independently form reserves for claims and claims settlement expenses arising from the property and casualty insurance business. Reserves are based on estimates of the payments that will be made for these claims and for the corresponding claims settlement expenses. These estimates are made both on a case-by-case basis, in light of the facts and circumstances available at the time the reserves are formed, as well as for losses that have already been incurred but not yet (or not in the right dimension) been reported to VIG Group (losses incurred but not reported, "**IBNR**" and losses incurred but not enough reserved, "**IBNER**"). These reserves represent the estimated ultimate cost necessary to bring all pending reported and IBNR claims to final settlement.

Loss reserves, including IBNR and IBNER reserves, may vary depending on a number of variables that affect the total costs of a claim, such as changes in the overall legal framework, results of court proceedings, changes of medical costs, repair costs, loss frequency, claim size and other factors, such as inflation or interest rates. The earnings of VIG Group depend substantially on whether (and to what extent) settlement amounts actually paid by VIG Group are consistent with the assumptions that VIG Group uses for pricing its products and estimating its actuarial reserves. To the extent that settlement amounts actually paid by VIG Group exceed the assumed amounts underlying the corresponding reserves, it may be necessary to increase reserves, which in turn may have a material adverse effect on the financial condition and results of operation of VIG Group.

Also, because the creation of reserves is an uncertain process, there can be no assurance that ultimate losses will not significantly exceed reserves, which would have a material adverse effect on earnings of VIG Group.

Climate changes and natural disasters may cause considerable losses.

The natural disasters that have become increasingly common in recent years in the markets where VIG operates, such as floods, hailstorm, earthquake, landslides and storms, may have been caused by general climate changes. Although scientists are currently not yet in agreement as to whether these were one-time events or represent mid-term changes in the overall frequency of such events, it cannot be ruled out that the frequency of such events will increase in future, which will result in higher expenditures for losses caused by such events. Such a development can make reinsurance coverage more expensive and have a material adverse effect on the assets, financial position and earnings of VIG Group.

Any decline in the availability of reinsurance, any increase in reinsurance costs, in particular as a consequence of natural catastrophes and terrorism, and/or an inability to pay, or untimely payment by reinsurers could have a material adverse effect on the earnings of VIG Group.

VIG Group has a policy of transferring that portion of assumed risks deemed by management to be adequate, to reinsurance companies. However, this transfer of risk to reinsurers does not relieve the Issuer and its group companies of their obligations to the policyholder. For that reason, VIG Group is exposed to the risk of the reinsurers being unable to pay. Untimely payment or an inability of a reinsurer to pay would have negative effects on the assets, financial position and earnings of VIG Group.

There is the further risk that due to, for example, natural catastrophes or terrorism, VIG Group will only be able to enter into reinsurance agreements at higher costs or will be unable to transfer certain risks to reinsurance companies in the future, which may have a negative impact on the assets, financial position and earnings of VIG Group.

The Issuer's subsidiaries in the CEE region are subject to increased political and economic risks associated with these countries.

The Issuer has subsidiaries in certain countries in the CEE region and a large part of its income is derived from operations in these countries. As a result, VIG Group's operations are exposed to risks common to all regions undergoing rapid political, economic and social change, including currency fluctuations, exchange control restrictions, an evolving regulatory environment, inflation, economic recession, local market disruption and labour unrest. The occurrence of one or more of these events may affect the ability of the Issuer's clients or counterparties located in the affected country or region to obtain foreign exchange or credit and, therefore, to satisfy their obligations towards the Issuer. These risks could have a material adverse effect on the Issuer's and VIG Group's operations.

The earnings of the Issuer's subsidiaries in the CEE region, and therefore VIG Group's earnings, depend on the economic environment in these countries. The following paragraphs contain brief descriptions of several material political and economic risks VIG Group is exposed to in certain important geographical markets, all of which could, if any of them materializes, have a material adverse effect on the Issuer's operations or financial or trading positions (the below paragraphs are based on internal research of the Issuer and are not forecasts or analyses):

Czech Republic

VIG Group's operations in the Czech Republic posted an IFRS pre-tax profit of EUR 127.6 million in the first three quarters in 2014. 2013 again was a difficult year for the Czech Republic, with the Gross Domestic Product ("**GDP**") having dropped by 0.93% on a combination of low external demand and a drop of household consumption. In 2014, the household consumption and inflation are not expected to recover much. Unemployment and external demand is not expected to change significantly. The risks for the Czech Republic are external and internal, the most important external risk being a further slowdown of the Euro-zone economy and the most important internal risk being local politics. As the Czech Republic remains economically more closely linked to the industrial north of Europe (in particular Germany) than to the southern periphery, a slowdown in Asia (China) would be consequential for the Czech Republic to the extent that it would slow down German growth. As for local politics, these could prove a barrier to fiscal consolidation.

Slovak Republic

VIG Group's operations in the Slovak Republic posted an IFRS pre-tax profit of EUR 43.1 million in the first three quarters in 2014. It seems that the economic growth in Slovakia has recovered 2014 in comparison to 2013, presumably reaching a 2.35% GDP increase in 2014, compared to a 0.94% increase in the previous year (Source: IMF WEO 10/2014). The dependence on the global economy is emphasized by the weak domestic consumption. The unemployment has reached a high of 14.2% in 2013, and is not expected to decrease swiftly and will presumably stay considerably over 10% in the five years to come. Slow increases in wages in 2013 might put consumers still on hold, but tend to rise in the following years. The main economic risk is a 'W'-shaped recession. Fiscal consolidation, though necessary, could impede the economic growth. Additional risks are a lack of labour market flexibility and a high dependence of exports and a small number of industries.

Poland

VIG Group's operations in Poland posted an IFRS pre-tax profit of EUR 48.7 million in the first three quarters in 2014. GDP growth in Poland slowed down and reached a low of 1.55% in 2013, when Poland's ability to substitute external by domestic demand reached its limits. The forecasts for the following years show a slight rise in GDP growth. As to the risk factors, the further economic development will depend on the volume of tax increases, which shall avoid further increases of government debts. Apart from these factors, Poland's growth will also depend on whether the forecasts for certain other EU member states will hold or not.

Romania

VIG Group's operations in Romania posted an IFRS pre-tax profit of EUR 2.6 million in the first three quarters in 2014. The Romanian economy remains subject to high uncertainties generated by both domestic and regional factors. Signals from the market point to depressed consumption, while the confidence indicator is one of the lowest in the EU. The strained labour market and prospects for higher unemployment amid unfinished reforms in the public sector could create additional pressure on consumption in the period ahead. 2013 was a year with a sharp dip in investments, and even though exports of goods and services are slightly recovering the outlook for the following years is pessimistic since public investment programs are running out. After an annual rise of 1.5% in average consumer prices, future inflation pressures could result due to the liberalization of administered prices, mainly in the energy sector. Weather and bad harvests are a constant threat for economies with a big agricultural sector such as Romania.

CEE insurance market

The major risk for insurance markets in the CEE region is the drying up of capital inflows from Western Europe. CEE depends on these inflows to finance current account deficits and debt repayments. In these countries, the unavailability of external funding sources could directly affect local insurance activity. Almost all CEE countries depend on their foreign export markets. As exports have decreased significantly in the recent past, the real economies of these countries suffered significant slowdowns. Negative domestic sentiment and more restrictive lending policies tend to reduce investment activity and consumption. Because of the economic slowdown, it is uncertain whether a reasonable economic enhancement in insurance markets will develop in 2015 and 2016. VIG Group's economic development primarily depends on the demand for motor vehicle and industrial insurance products in the motor and industrial segments. The premium growth further depends on government regulation for life and health insurance products in those markets which VIG Group is active in. Life insurance starts to play a more and more important role. A possible growth in health insurance depends on the degree of liberalization in the individual markets and on a certain level of prosperity.

It may be difficult for the Issuer to make further acquisitions and/or to identify new suitable acquisition targets, and future acquisitions may contain hidden liabilities and may prove to be difficult to integrate into VIG Group.

As part of its strategy in the CEE region, the Issuer may decide to make additional acquisitions to complement the economic growth of VIG Group. Apart from antitrust or similar laws, which may make it difficult to carry out such acquisitions, any acquired business may contain unknown actual or potential liabilities and the ability of the Issuer to effectively grow through selected acquisitions will depend on, among other things, the Issuer's ability to identify suitable acquisition or investment opportunities and to close those transactions.

Acquisitions often bring challenges in terms of corporate management and financing, such as:

- the need to integrate the infrastructure of the acquired company, including management information systems, and risk management and controlling systems;
- handling unsettled matters of a legal or supervisory nature resulting from the acquisition;
- integration of marketing, customer support and product ranges; and
- integration of different corporate and management cultures.

The integration of acquisitions may be difficult and the Issuer may not be able to achieve anticipated synergies or other expected benefits. Thus, the Issuer may not be able to continue to grow as in the past. Such failure could adversely affect the Issuer's financial condition and results of operations.

Changes in existing, or new, governmental laws or regulations in the countries in which the Group operates may have a material adverse effect on its results of operations.

Changes in existing, or new, governmental laws and regulations in the countries in which VIG Group operates may have a material adverse effect on VIG Group, including regulations relating to the provision of financial services, insurance products and other transactions VIG Group is conducting. Furthermore, apart from changes to the economic environment, the introduction of new or amending of existing laws and regulations applicable to VIG Group and/or changes in their application, including (but not limited to) the new comprehensive framework for risk management for defining required capital levels and to implement procedures to identify, measure, and manage risk levels, commonly known as "**Solvency II**" and changes in accounting matters and/or their application, may adversely affect the Issuer's business as its implementation and compliance may result in costs that currently cannot be definitively determined.

In particular the implementation of Solvency II is causing a substantial increase in the regulation applicable to insurance companies, including increased (quantitative and qualitative) capital and disclosure requirements, as well as restrictions on certain types of transactions (for details see the risk factor on "*A new regulatory framework for insurance companies (Solvency II) will increase regulatory requirements (including own funds and governance).*").

In reaction to the crisis in the global financial markets, many countries' governments and regulators have introduced various rescue schemes for the financial sector. The impact of certain of these schemes may negatively affect the value of companies in the financial sector and thus have an indirect adverse effect on VIG Group, as it holds securities issued by such companies in its investment portfolios. In the same context, governments, supervisory and other authorities have made and still make proposals to strengthen the regulatory framework for the financial services industry to enhance its resilience against future crises. Such proposals include, amongst other things, stricter own funds requirements and liquidity standards, the regulation of types of business considered as particularly dangerous, and expansion of the supervisory and resolution powers of competent authorities. Such future changes to the existing regulatory framework for the financial services industry may be significant with negative impacts on VIG Group, such as additional administrative cost (incurred to implement and comply with new rules) increased cost of capital (due to stricter own funds requirements) and a materially adverse effect on VIG Group's business, results of operation and prospects.

Changes in existing laws and regulations applicable to VIG Group may have an adverse effect on VIG Group's financial conditions and results of operations.

A new regulatory framework for insurance companies (Solvency II) will increase regulatory requirements (including own funds and governance).

In the EU, wide-ranging amendments to the existing regulatory framework applicable to insurance and re-insurance companies are currently being implemented. These new rules commonly known as "Solvency II" include requirements on own funds, the calculation of technical provisions, valuation of assets and liabilities, governance structure, regulatory reporting and disclosure as well as governance of insurance companies. Solvency II stipulates more risk-sensitive standards to capital requirements, aims to align capital requirements for insurance companies with those applicable to banks and investment firms in order to avoid regulatory arbitrage as well as to align regulatory capital with economic capital and bring about an enhanced degree of public disclosure.

EU-Member States are required to bring into force the laws, regulations and administrative provisions necessary to comply with Directive 2009/138/EC (i.e. the "Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) (recast)") which sets out the main legal framework for Solvency II by 31 March 2015. Whilst those laws, regulations and administrative provisions shall apply from 1 January 2016, Member States shall apply the laws, regulations and administrative provisions necessary to comply with the phasing in of Solvency II from 1 April 2015.

The Directive 2009/138/EC together with accompanying legal acts, will create a stricter and more comprehensive regulatory framework (compared to the existing supervisory and solvency regime) for insurance and re-insurance companies within the EU. As a result, solvency capital requirements for insurance and reinsurance companies will increase compared to the current Solvency I regime and also result in capital ratios becoming more volatile. The internal model that has been developed and implemented by VIG Group to assess its solvency capital requirements under the future Solvency II regime may not be approved by the supervisory authority, which may lead to additional operational cost for modifying the internal model, but also to negative effects on VIG Group's compliance with capital requirements.

In Austria, the Directive 2009/138/EC will be transposed into national law in particular by the Austrian Insurance Supervision Act 2016 (*Versicherungaufsichtsgesetz 2016* – VAG 2016). The Austrian Insurance Supervision Act 2016 has already been adopted by the Austrian National Council (*Nationalrat*) on 11 December 2014, but as of the date of this Prospectus not been published in the Austrian Federal Law Gazette (*Bundegesetzblatt - BGBl*)), and shall enter into force on 1 January 2016, apart from certain transitional provisions (in particular on grandfathering and phasing in) which will enter into force on 1 April 2015 respectively 1 July 2015). Furthermore, on 10 October 2014 the EU Commission adopted a delegated act (i.e. the "Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II)") which supplements Directive 2009/138/EC and contains certain implementing rules for Solvency II. This delegated act (which - as an EU-regulation - is immediately applicable in Austria) entered into force on the day following its publication in the Official Journal of the European Union on 17 January 2015.

There is a risk that under Solvency II, existing instruments issued by the Issuer, VIG Group and/or the WST-Versicherungsverein's group will no longer be (full or partly) eligible as own funds and/or will not be sufficient to comply with the increased capital requirements under Solvency II. For instance, according to the provisions of the Austrian Insurance Supervision Act 2016 as adopted by the Austrian National Council, only instruments which have been issued before the delegated act entered into force would could be recognized a tier 1 own-fund items pursuant to the transitional provisions. In such cases, VIG Group and/or the WST-Versicherungsverein's group might have to replace existing instruments and/or issue additional instruments or otherwise raise capital eligible as own funds. There is a risk that refinancing existing debt or raising additional capital would be expensive, difficult or impossible on adequate terms, which could have a material adverse effect on the Issuer, the VIG Group and/or the WST-Versicherungsverein's group, including its business and financial condition.

Changes in applicable tax law can reduce the demand for certain insurance products.

Changes in tax laws can impair the attractiveness of certain products of VIG Group which currently enjoy tax advantages. The introduction of laws could reduce the tax advantages of certain insurance products, in particular, VIG Group's retirement products or life insurance products.

Changes in tax laws that could result in a reduced demand for insurance products of VIG Group include, among others:

- changes in tax advantages for insurance products such as government subsidized private pension plans;
- changes in the deductibility of premium payments;
- changes in the tax treatment of competing products, such as a change in the tax rate for income from investments; and
- changes in the tax treatment of income from life insurance contracts, such as qualifying a portion of such income as taxable capital gains.

Such changes in tax legislation could have a material adverse effect on the sale of the affected insurance products and thus on the assets, financial condition and earnings of VIG Group.

The Issuer is exposed to tax risks with respect to the U.S. Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS).

The Issuer is exposed to significant liabilities under the foreign account tax compliance provisions of the Hiring Incentives to Restore Employment Act of 2010 and intergovernmental agreement relating to such provisions ("**FATCA**"). FATCA requires non-U.S. financial institutions including insurance companies such as the Issuer to identify and report information on certain of its customers and certain holders of its debt and equity to a government authority in order to aid the combat of tax evasion by U.S. taxpayers on investments held outside the United States. In April 2014 Austria has concluded a respective bilateral agreement with the USA.

FATCA imposes a 30% withholding tax on certain payments to non-U.S. financial institutions that do not comply with the identification and reporting requirements of FATCA. If, despite its significant group-wide efforts to comply with FATCA, the Issuer or its FATCA relevant subsidiaries are considered to have not successfully followed FATCA provisions, then such non-compliance could materially affect VIG Group's results of operations and financial condition.

In October 2014, 51 signatory states, including Austria, signed the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information developed by the Organization for Economic Co-operation and Development ("**OECD**"). This Agreement provides for annual exchange of information between the competent authorities of the signatory states of certain financial account information, in line with the standard for automatic exchange of financial account information in tax matters developed by the OECD (Common Reporting Standards, the "**CRS**"). The laws of the signatory states shall require financial institutions, such as insurance companies, to follow due diligence procedures and to report information regarding certain accounts. Most of the signatory states intend to exchange information as of September 2017; Austria originally intended to exchange information as of September 2018.

There are legal uncertainties with regard to the implementation of CRS within the EU in general and Austria in particular. VIG Group will face significant management and administrative challenges in complying with the identification requirements of CRS.

Proposals for the future accounting under IFRS may cause higher capital costs and pressure on share prices.

Currently, VIG Group accounts for insurance contracts in its consolidated financial statements in accordance with International Financial Reporting Standards ("**IFRS**"). The International Accounting Standard Board ("**IASB**") has announced to issue a revised IFRS for insurance contracts. A respective draft has been published in June 2013; the final standard is expected to be published in late 2015. It is also expected that insurance companies will have a preparatory period of three years. The revised IFRS is likely to enter into force on 1 January 2018. Based on present information, the revised IFRS may lead to substantial changes in the existing presentation, recognition and measurement methods for insurance contracts as well as in the current information technology environments and work processes. Moreover, the envisaged changes in accounting may affect products and prices in direct insurance and reinsurance business.

In 2009, 2010 and 2013 the IASB has published versions of IFRS 9 that introduced the new classification and measurement requirements and a new hedge accounting model. In July 2014, the final version of IFRS 9 has been published, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments - Recognition and Measurement. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, but an entity may choose to apply IFRS 9 before then. From February 2015 on, entities newly applying IFRS 9 have to apply the version published in July 2014.

Thus, the introduction of these or other new standards could have a material adverse effect on the assets, financial condition and results of operation of VIG Group.

Competition is intense in the countries where VIG Group operates and may increase significantly in the future.

VIG Group faces significant competition in all aspects of its business, both in Austria and Central and Eastern Europe and competition is expected to increase due to an expected consolidation process among insurance companies. Apart from local competitors, other international insurance companies may enter the insurance market in Austria and the CEE region, thus increasing the pressure on the Issuer's profit margins, which could have a material adverse effect on the financial condition and results of operation of VIG Group. If VIG Group is unable to respond to the competitive environment in these markets with product and service offerings that are profitable, it may lose market shares in important parts of its business or incur losses on some or all of its activities.

VIG Group is exposed to a risk of losses due to any inadequacy or failure of internal proceedings, people, systems (in particular information technology systems), or external events, whether caused deliberately or accidentally or by natural circumstances (operational risk).

VIG Group is exposed to various risks of loss due to potential inadequacies or failures of internal processes (such as inadequate organizational structures or ineffective control mechanisms), or internal or external events, whether caused deliberately or accidentally or by natural circumstances. Internal events include, but are not limited to, unauthorised actions, theft or fraud by employees, clerical and record keeping errors, business interruption and information systems malfunctions or manipulations. External events include floods, fires, earthquakes, riots or terrorist attacks, fraud by outsiders and equipment failures.

Any failure or interruption in or breach of VIG Group’s information systems, and any failure to update such systems, may result in lost business and other losses.

VIG Group relies heavily on information systems to conduct its business. Any failure or interruption or breach in security of these systems could result in failures or interruptions in many of VIG's systems. If VIG Group’s information systems, including its back-up systems, were to fail, even for a short period of time, or its business continuity plans for cases of emergency would prove ineffective, it could be unable to serve some customers’ needs on a timely basis and could thus lose their business. Likewise, a temporary shutdown of VIG Group's information systems could result in costs that are required for information retrieval and verification. There can be no assurances that such failures or interruptions will not occur or that VIG Group can adequately address them if they do occur. Accordingly, the occurrence of such failures or interruptions could have a material adverse effect on VIG Group's business, financial condition, results of operations and prospects. In addition, there can be no assurances that the rollout or implementation of any new systems or processes will provide the desired benefit to VIG Group’s business, or will not involve failures or business interruptions that could have a material adverse effect on its business, financial condition, results of operations and prospects.

VIG Group may have difficulty recruiting or retaining qualified employees.

VIG Group's existing operations and ability to enter new markets depend on its ability to retain existing employees and to identify and recruit additional individuals who are not only familiar with the local language, customers and market conditions, but also have the necessary qualifications and level of experience in the insurance business. In some of the smaller CEE markets in which VIG Group currently operates, the pool of individuals with the required set of skills is smaller than in most Western European countries. Increasing competition for labour in VIG Group's core markets from other international financial institutions may also make it more difficult for VIG Group to attract and retain qualified employees and may lead to rising labour costs in the future. Moreover, if caps or further restrictions under applicable law were to be imposed on salaries or bonuses paid to executives of VIG or its subsidiaries, VIG Group’s ability to attract and retain high-quality personnel could be limited and could result in losses of qualified personnel. If VIG Group is unable to attract and retain new talent in key strategic markets or if competition for qualified employees increases its labour costs, this could have a material adverse effect on VIG Group’s business, financial condition and results of operations.

VIG Group is exposed to the risk of damages as a result of criminal manipulation.

Due to the extensive nature of the distribution network, VIG Group is exposed to the risk of damages as a result of criminal manipulation. It is not possible to rule out such manipulation in the future. This could have negative effects on the assets, financial position and earnings of VIG Group.

The Issuer is depending on the economic success of the entire VIG Group

The Issuer is the holding company of an internationally active group. Within the VIG Group, VIG renders certain management responsibilities within VIG Group. However, VIG's income from its own business is very limited. According to the Management Report 2013 which is VIG's 2013 Audited Non-consolidated Financial Statements, in the business year 2013, only EUR 51,112,000 premiums were written in VIG's direct business compared to EUR 877,664,000 in VIG's indirect business. Thus, VIG is depending to a high degree on payments of dividends by other members of the VIG Group. Furthermore, it cannot be ruled out that intangible assets (good will) of VIG may transpire to be not recoverable, or that their value fluctuates rapidly and significantly. VIG's capacity to render payments under the Notes is very much depending on the performance of the other members of VIG Group.

Under Austrian law, the solvency ratios of VIG Group have to be complied with at the WST-Versicherungsverein level. A failure by the Issuer, VIG Group and/or the WST-Versicherungsverein's group to implement the Solvency II requirements adequately and/or in a timely manner may trigger measures by the supervisory authority and have a material adverse effect on the Issuer's, VIG Group's and/or the WST-Versicherungsverein's Group's reputation and rating, the confidence of their customers, their financial situation and their overall business.

The principal shareholder of the Issuer, Wiener Städtische Wechselseitiger Versicherungsverein – Vermögensverwaltung – Vienna Insurance Group ("**WST-Versicherungsverein**"), is a mutual insurance holding company (with no active insurance business) which, in compliance with applicable Austrian insurance supervisory law, contributed its entire insurance operations to the Issuer. Under Austrian insurance supervisory law, compliance with solvency ratios is assessed at the WST-Versicherungsverein level. The articles of association of WST-Versicherungsverein require WST-Versicherungsverein to act in the interests of the Issuer: Apart from that WST-Versicherungsverein is not subject to any restrictions on its (business, investment or other) decisions (subject to § 61b (3) of the Austrian Insurance Supervision Act, its company purpose is restricted on asset management, only). Such decisions may have an impact on adherence to regulatory solvency ratios. A failure to comply with the solvency requirements by WST-Versicherungsverein on a consolidated level could trigger a downgrading of the credit rating of the Issuer and/or measures being undertaken by the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde* – "**FMA**"), the competent authority for insurance supervision in Austria, and thus have a material adverse effect on the assets, financial position and earnings of VIG Group.

The Issuer might be required to write off its claims under certain subordinated notes issued by HETA ASSET RESOLUTION AG

The Issuer holds a nominal amount of approximately EUR 55 million of certain subordinated notes issued by HETA ASSET RESOLUTION AG ("**HETA**", formerly: "HYPO ALPE-ADRIA-BANK INTERNATIONAL AG") (the "**HBInt-Notes**") associated with a liability from the Province of Carinthia (*Landeshaftung*). The Austrian law on reorganisation measures for HETA (*Bundesgesetz über Sanierungsmaßnahmen für die HYPO ALPE ADRIA BANK INTERNATIONAL AG* – "**HaaSanG**") which has been published on 31 July 2014, entered into force on 1 August 2014. The HaaSanG appointed the FMA as the competent authority to implement the statutory reorganization measures provided for therein. According to the HaaSanG, upon publication of a FMA regulation certain subordinated liabilities and the liabilities from the Province of Carinthia (*Landeshaftung*) (including the HBInt-Notes held by members of the VIG Group) of HETA are extinguished by force of law. These measures foreseen under the HaaSanG become immediately effective without need of further action by HETA or any formal cancellation of the liabilities in accordance with their terms and conditions. On 7 August 2014, the FMA has published said regulation (*Durchführung von Sanierungsmaßnahmen gemäß § 7 Abs. 2 in Verbindung mit § 3 und § 4 Abs. 1 HaaSanG* – "**HaaSanV**") and therefore, HETA's liabilities under the HBInt-Notes are extinguished by law, i.e. the amount of principal, interest and any other amounts, if any, payable by HETA was automatically reduced to zero. The Issuer is of the view that the HaaSanG and/or the HaaSanV are violating Austrian constitutional law. Thus, certain members of VIG Group have filed individual applications (Individualanträge) with the Austrian Constitutional Court (Verfassungsgerichtshof) as well as civil law claims with the ordinary courts. As of 30 June 2014, VIG Group made write-downs on HBInt-Notes amounting to EUR 24 million. This had negative effects on the result of VIG Group. There is a risk that VIG Group would be required to completely write-off the HBInt-Notes held by them, particularly if these legal actions should not be successful.

II. Risk Factors regarding the Notes

An investment in the Notes involves certain risks associated with the characteristics of the Notes. Such risks could result in principal or interest not being paid on time or at all by the Issuer and/or a material impairment of the market price of the Notes.

Notes may not be a suitable investment for all investors; each potential investor in the Notes must determine the suitability of such investment in light of its own circumstances.

Each potential investor in Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes, and the information contained or incorporated by reference in this Prospectus or any applicable supplement to this Prospectus;
- have access to and knowledge of appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviours of any relevant indices and financial markets;
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and
- recognise that it may not be possible to dispose of the Notes for a substantial period of time, if at all.

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

The obligations of the Issuer under the Notes constitute unsecured and subordinated obligations which are subordinated to the claims of all unsubordinated creditors of the Issuer.

The obligations of the Issuer in respect of the Notes constitute unsecured and subordinated obligations. Any claim for repayment of the principal amount of the Notes is subordinated to the claims of all unsubordinated creditors. In the event of an insolvency or liquidation of the Issuer, no amounts will be payable under such subordinated obligations until the claims of all unsubordinated creditors of the Issuer will have been satisfied in full.

In the event of a dissolution, liquidation, insolvency or any proceeding to avoid insolvency of the Issuer, payments will not be made under the Notes until all claims against the Issuer which pursuant to the above are expressed to, or by operation of law, rank senior to the obligations of the Issuer under the Notes will first have been satisfied or secured in full.

Furthermore the obligations of the Issuer under the Notes, if any, will not contribute to the determination of over-indebtedness (*Überschuldung*) in accordance with the Austrian Insolvency Act (*Insolvenzordnung - IO*).

The Issuer is under no obligation to redeem the Notes either at all or before their Scheduled Maturity Date (if any).

The Notes are either undated (i.e. perpetual Notes with no scheduled maturity) or dated, i.e. Notes with a scheduled maturity. The Issuer is under no obligation to either redeem undated Notes at all or to redeem dated Notes before their scheduled maturity date. In addition the Noteholders do not have a right to demand redemption of the Notes. Noteholders should therefore be aware that they may be required to bear the financial risks of an investment in the Notes for a long or even an indefinite period of time.

The Redemption Amount may not be paid in full due to incurred net losses (*Nettoverluste*).

In case of redemption of Subordinated Undated Notes (Option I) which have been issued by the Issuer prior to the Solvency II Implementation Date (as defined in the Terms and Conditions), in certain circumstances prior to (i) a liquidation of the Issuer, and (ii) the Solvency II Implementation Date, the Redemption Amount may not be payable in full. This would be the case if the Issuer has incurred net losses (*Nettoverluste*) over the term of the Notes and such net losses are to be deducted from the Redemption Amount on a pro-rata basis pursuant to § 73c (2)(3) of the Austrian Insurance Supervision Act provided that such deduction would be required for the Notes being eligible as supplementary capital pursuant to § 73c (2) of the Austrian Insurance Supervision Act (Example: If the Issuer has outstanding instruments that participate in the net losses of the Issuer, such as and including the Notes (all such instruments together the "**Loss Absorbing Instruments**"), and the Issuer would incur net losses during the term of such Loss Absorbing Instruments, the Issuer would need to deduct the net losses on a pro-rata bases from the redemption amount of each such Loss Absorbing Instrument).

The Noteholders therefore are exposed to the risk that the Redemption Amount might be lower than the Specified Denomination plus any interest accrued on such Note and, depending on the amount of net losses, may even be zero.

Interest may not be due and payable (*fällig*) on the scheduled Interest Payment Date and payment of the resulting Arrears of Interest may be subject to conditions.

Noteholders should be aware that, in certain cases, interest will not be due and payable *(fällig)* on the scheduled Interest Payment Date, and that the payment of the resulting Arrears of Interest is subject to certain further conditions.

Compulsory deferral of interest payments

If a Mandatory Suspension Event has occurred with respect to any Interest Payment Date, interest which accrued during the period ending on but excluding such Interest Payment Date will not be due and payable (*fällig*) on that Interest Payment Date. Any such non-payment will not constitute a default of the Issuer or any other breach of its obligations under the Notes or for any other purpose. Noteholders will not receive any additional interest or compensation for the compulsory deferral of payment. In particular, the resulting Arrears of Interest will not bear interest.

Optional deferral of interest payments

Even if no Mandatory Suspension Event has occurred, the Issuer may, with respect to each Optional Interest Payment Date, elect in its discretion to defer the payment of accrued interest by giving not less than 10 and not more than 15 Business Days prior notice to the Noteholders. Such interest will not be due and payable *(fällig)* on that Optional Interest Payment Date. Any such failure to pay will not constitute a default of the Issuer or any other breach of its obligations under the Notes or for any other purpose. Interest deferred will constitute Arrears of Interest. Noteholders will not receive any additional interest or compensation for the optional deferral of payment. In particular, the resulting Arrears of Interest will not bear interest.

Restrictions on payment of Arrears of Interest

The Issuer will only be entitled to pay Arrears of Interest at any time if the Conditions to Settlement, as further described in the Terms and Conditions, are fulfilled with respect to such payment. These restrictions also apply in the case of a compulsory settlement of Arrears of Interest. The payment of Arrears of Interest may be subject to prior approval of the Supervisory Authority.

Noteholders are exposed to the risk of partial or total failure of the Issuer to make interest and/or redemption payments under the Notes, including a total loss of the invested capital (credit risk).

Investors are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments that the Issuer is obliged to make under the Notes. The worse the creditworthiness of the Issuer, the higher is the risk of loss. A materialization of the credit risk may result in partial or total failure of the Issuer to make interest and/or redemption payments.

This risk is even higher for the Notes than for other (unsubordinated) debt of the Issuer as the Notes are according to their Terms and Conditions subordinated to all unsubordinated obligations of the Issuer. Thus, Noteholders would be among the first investors of the Issuer suffering losses if the credit risk would materialize.

The market value of the Notes could decrease if the creditworthiness of the Issuer and VIG Group worsens.

If the likelihood that the Issuer will be in a position to fully perform all obligations under the Notes when they fall due decreases, for whatever reason, the market value of the Notes will likely decrease as well. In addition, even if the likelihood that the Issuer will be in position to fully perform all obligations under the Notes when they fall due actually has not decreased, market participants could nevertheless have a different perception. In addition, the market participants' perception of the creditworthiness of corporate debtors in general or of debtors operating in the same business as VIG Group could adversely change. Under these circumstances, the market value of the Notes will decrease.

The Notes may not be redeemed at the option of the Noteholders, and any rights of the Issuer to redeem or repurchase the Notes prior to their scheduled maturity date (if any) are subject to the prior approval of the supervisory authority.

The Noteholders of the Notes have no rights to call for the redemption of their Notes and should not invest in the Notes in the expectation that any redemption right will be exercised by the Issuer.

The Issuer may at its sole discretion, early redeem the Notes and subject to certain conditions to redemption being met, upon the occurrence of certain redemption events (a Gross-up Event, a Tax Event, a Regulatory Event, an Accounting Event or a Rating Agency Event) at the Redemption Amount plus interest accrued until the date fixed for redemption. In addition, the Issuer may at its sole discretion redeem the Notes, on a specified call date at the applicable Redemption Amount plus accrued interest.

Any such early redemption and any repurchase of the Notes is subject to the prior approval of the Austrian Financial Market Authority (or any successor authority of the Austrian Financial Market Authority responsible for the supervision of the Issuer; the "**Supervisory Authority**") and compliance with insurance supervisory rules applicable from time to time to the Issuer. Under the applicable supervisory law, the Supervisory Authority may only permit institutions to redeem basis own funds items such as the Notes prior to their contractual maturity if certain conditions are complied with. These conditions, as well as a number of other technical rules and standards relating to own funds requirements applicable to the Issuer, should be taken into account by the supervisory authority in its assessment of whether or not to permit any early redemption or repurchase. It is uncertain how the Supervisory Authority will apply these criteria in practice and such rules and standards may change during the maturity of the Notes. It is therefore difficult to predict whether, and if so, on what terms, the Supervisory Authority will grant its prior permission for any early redemption or repurchase of the Notes.

Furthermore, even if the Issuer would be granted the prior permission of the Supervisory Authority any decision by the Issuer as to whether it will early redeem the Notes will be made at the absolute discretion of the Issuer with regard to external factors such as the economic and market impact of exercising an early redemption right, regulatory capital requirements and prevailing market conditions. The Issuer may waive its rights to redeem the Notes and/or may subject its redemption rights to a requirement to acquire substitution capital of at least the same quality and quantity. The Issuer disclaims, and investors should therefore not expect, that the Issuer will exercise any redemption right in relation to the Notes.

Noteholders should therefore be aware that they may be required to bear the financial risks of an investment in the Notes until their final maturity, if any or for an indefinite period of time (in relation to undated Notes).

Noteholders assume the risk that the credit spread of the Issuer changes (credit spread risk).

Noteholders should also be aware that the market yield has two components, namely the risk free rate and the credit spread. A credit spread is the Margin payable by the Issuer to the Noteholder as a premium for the assumed credit risk. Credit spreads are offered and sold as premiums on current risk-free interest rates or as discounts on the price.

The credit spread is reflective of the yield that investors require in addition to the yield on a risk free investment of equal tenor as a compensation for the risks inherent in the Notes. The credit spread changes over time and can decrease as well as increase for a large number of different reasons. The market yield of the Notes can change due to changes of the credit spread, the risk free rate, or both.

Factors influencing the credit spread include, among other things, the creditworthiness and rating of the Issuer, probability of default, recovery rate, remaining term to maturity of the Notes and obligations under any collateralization or guarantee and declarations as to any preferred payment or subordination. The liquidity situation, the general level of interest rates, overall economic developments, and the currency, in which the relevant obligation is denominated may have a positive or negative effect.

Noteholders are exposed to the risk that the credit spread of the Issuer widens resulting in a decrease in the price of the Notes.

Noteholders are exposed to market price risk in any sale of Notes (market price risk).

The development of market prices of the Notes depends on various factors, such as changes of market interest rate levels, the policies of central banks, overall economic developments, inflation rates or the lack of or excess demand for the Notes. The Noteholder is therefore exposed to the risk of an unfavourable development of market prices of its Notes which materializes if the Noteholder sells the Notes prior to the final maturity of such Notes.

The Terms and Conditions do not contain any express events of default provision and no Noteholder termination rights.

The Noteholders should be aware that the Terms and Conditions do not contain any express events of default provision. Accordingly, Noteholders may not be in a position to call their Notes for redemption upon default of the Issuer.

The capital structure of the Issuer depends on the eligibility of the Notes as own funds.

The Notes are intended to constitute own funds of the Issuer in accordance with the supervisory law applicable to the Issuer, VIG Group and/or the WST-Versicherungsverein group. Should the Notes not be eligible as own funds in the manner and to extent as they are intended to be by the Issuer, either because they are not recognized as own funds at all or are recognized only as own funds items of a lower tier, this may have a negative impact on the capital structure of the Issuer and the Issuer might have to issue further capital instruments eligible as own funds at higher cost.

Also, if the Notes are (i) not recognized as tier 1 own-fund items or tier 2 own-fund items; or (ii) recognized as tier 2 own-fund items rather than as tier 1 own-fund items, it cannot be excluded that the Notes will be subject to different market risk or market treatment or different internal treatment than expected at the time of investment.

There is a risk that trading in the Notes will be suspended, interrupted or terminated.

The listing of the Notes may, depending on the applicable rules, be suspended or interrupted by the stock exchange or the competent regulatory authority for a number of reasons, including violation of price limits, breach of statutory provisions, occurrence of operational problems of the stock exchange or generally if deemed required in order to secure a functioning market or to safeguard the interests of investors. Furthermore, trading in the Notes may be terminated, either upon decision of the stock exchange, a regulatory authority or upon application by the Issuer.

Noteholders should note that the Issuer has no influence on trading suspension or interruptions (other than where trading in the Notes is terminated upon the Issuer's decision) and that Noteholders in any event must bear the risks connected therewith. In particular, Noteholders may not be able to sell their Notes where trading is suspended, interrupted or terminated, and the stock exchange quotations of such Notes may not adequately reflect the price of such Notes. Finally, even if trading in Notes is suspended, interrupted or terminated, Noteholders should note that such measures may neither be sufficient nor adequate nor in time to prevent price disruptions or to safeguard the Noteholders' interests; for example, where trading in Notes is suspended after price-sensitive information relating to such Notes has been published, the price of such Notes may already have been adversely affected. All these risks would, if they materialize, have a material adverse effect on the price of the Notes.

There can be no assurance that a liquid secondary market for the Notes will develop or, if it does develop, that it will continue. In an illiquid market, a Noteholder may not be able to sell his Notes at fair market prices.

Application may be made to list Notes issued under the Programme on the Second Regulated Market (*Geregelter Freiverkehr*) of the Vienna Stock Exchange. Application may also be made to list Notes on the official list of the Luxembourg Stock Exchange and to admit to trading such Notes on the regulated market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*, and, together with the Second Regulated Market (*Geregelter Freiverkehr*) of the Vienna Stock Exchange, the "**Markets**"). In addition, the Programme provides that Notes may not be listed at all.

Regardless of whether the Notes are listed or not, there can be no assurance that a liquid secondary market for the Notes will develop or, if it does develop, that it will continue. The fact that the Notes may be listed does not necessarily lead to greater liquidity as compared to unlisted Notes. If the Notes are not listed on any stock exchange, pricing information for such Notes may, however, be more difficult to obtain, which may adversely affect the liquidity of the Notes. In an illiquid market, a Noteholder might not be able to sell its Notes at any time at fair market prices or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a material adverse effect on the market value of Notes. The possibility to sell the Notes might additionally be restricted by country-specific reasons.

The Issuer is not limited to issue further debt and guarantees.

There is no restriction on the amount of debt or guarantees which the Issuer may issue ranking equal or senior to the obligations under or in connection with the Notes. Such issuance of further debt or guarantees may reduce the amount recoverable by the Noteholders upon insolvency or winding-up of the Issuer or may increase the likelihood that payments of the Principal Amount or interest under the Notes will be mandatorily suspended or may, in the case of interest payments, be suspended at the option of the Issuer.

The Issuer may not be entitled to make certain payments under the Notes.

Noteholders should be aware that under particular conditions, payments scheduled to be made by the Issuer under the Notes may have to be suspended and/or may be subject to prior approval of the Supervisory Authority. In particular, the Supervisory Authority may prohibit the Issuer from making interest payments under the Notes, or may not grant (or withdraw) its approval for a redemption or repurchase of the Notes and/or the payment of accrued interest and Arrears of Interest (if any) on the Notes.

Due to future money depreciation (inflation), the real yield of an investment may be reduced.

The value of assets such as the Notes or income therefrom will decrease as inflation reduces the purchasing power of a currency. Inflation causes the rate of return to decrease in value. If the inflation rate exceeds the interest paid on any Notes, the real yield on such Notes will become negative.

There is a risk that Noteholders may not be able to reinvest proceeds from the Notes at equal conditions (reinvestment risk).

In case of sales before maturity, in the event of an early redemption or redemption at maturity of the Notes, there is no assurance that investors are able to reinvest the proceeds in comparable notes with an at least equal yield. The same applies to interest payments. If Noteholders want to invest such proceeds in comparable transactions, Noteholders will only be able to reinvest such proceeds in comparable transactions at the then prevailing lower market yields (or market spreads respectively).

Noteholders for whom the issue currency represents a foreign currency are exposed to the risk of changes in currency exchange rates.

The Notes are denominated in the issue currency. If such currency represents a foreign currency to a Noteholder, such Noteholder is particularly exposed to the risk of changes in currency exchange rates which may affect the yield of such Notes measured in the Noteholder's currency. Changes in currency exchange rates result from various factors such as macroeconomic factors, speculative transactions and interventions by central banks and governments. In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable currency exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

An Austrian court can appoint a trustee for the Notes to exercise the rights and represent the interests of Noteholders on their behalf in which case the ability of Noteholders to pursue their rights under the Notes individually may be limited.

Pursuant to the Austrian Notes Trustee Act (*Kuratorengesetz*), a trustee (*Kurator*) can be appointed by an Austrian court upon the request of any interested party (e.g. a Noteholder) or upon the initiative of the competent court, for the purposes of representing the common interests of the Noteholders in matters concerning their collective rights. In particular, this may occur if insolvency proceedings are initiated against the Issuer, in connection with any amendments to the terms and conditions of the Notes or changes relating to the Issuer, or under other similar circumstances. If a trustee is appointed, it will exercise the collective rights and represent the interests of the Noteholders and will be entitled to make statements on their behalf which shall be binding on all Noteholders. Where a trustee represents the interests and exercises the rights of Noteholders, this may conflict with or otherwise adversely affect the interests of individual or all Noteholders.

Ratings of the Notes, if any, may not reflect the potential impact of all risks and may be subject to change or withdrawal at any time.

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Rating agencies may change their methodologies for rating securities with features similar to the Notes in the future. If the rating agencies were to change their practices for rating such securities in the future and the ratings of the Notes were to be subsequently lowered, this may have a negative impact on the trading price of the Notes.

Fixed rate notes have a market risk.

The Notes partly (i.e. to but excluding the First Call Date) bear a fixed rate of interest. A Noteholder of a fixed interest rate note is exposed to the risk that the price of such note falls as a result of changes in the market interest rate. While the nominal interest rate of a fixed interest rate note as indicated in the Final Terms is fixed during the life of such note or during a certain period of time, the prevailing market interest rate (i.e., the then current interest rate on the capital market for issues of the same maturity) typically changes on a daily basis. As the market interest rate changes, the price of such note also changes, but in the opposite direction. If the market interest rate increases, the price of such note typically falls, until the yield of such note is approximately equal to the market interest rate. If the market interest rate falls, the price of a fixed interest rate note typically increases, until the yield of such note is approximately equal to the market interest rate. Noteholders should be aware that movements in the market interest rate may adversely affect the price of the Notes and may lead to losses for the Noteholders if they sell Notes during the period in which the interest rate of the Notes is fixed.

Floating rate notes may suffer a decline in interest rate.

The Notes partly (i.e. from the First Call Date on) bear a variable rate of interest. Such "floating rate notes" tend to be volatile investments. A Noteholder of a note with a floating interest rate is exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels make it impossible to determine the yield of such notes in advance. Neither the current nor the historical value of the relevant of the floating rate of interest should be taken as an indication of the future development of such floating rate of interest during the term of any Notes.

A change of the interest rate may affect the secondary market and the market value of the Notes (fixed-to-floating rate Notes).

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

During that time, Noteholders are exposed to the risk that the price of such Notes may fall because of changes in the market yield. While the nominal interest rate (i.e. the coupon) of the Notes is fixed until (but excluding) the First Call Date, the market yield typically changes on a daily basis. As the market yield changes, the price of the Notes changes in the opposite direction. If the market yield increases, the price of the Notes falls. If the market yield falls, the price of the Note increases. Noteholders should be aware that movements of the market yield can adversely affect the price of the Notes and can lead to losses for the Noteholders.

If the Notes are not called on the First Call Date, the Notes will bear interest at a floating rate from the First Call Date (including) on (i.e. until the Final Maturity Date (excluding), if any).

The floating rate applicable to the Notes from (and including) the First Call Date is based on two components, namely the Reference Rate and the Margin. The floating rate (i.e. the coupon) is payable quarterly, and will be adapted immediately prior to any Floating Interest Period to the then prevailing Reference Rate plus the Margin. The Margin is fixed at issuance of the transaction.

Noteholders should be aware that the floating rate interest income is subject to changes to Reference Rate and therefore cannot be anticipated. Hence, Noteholders are not able to determine a definite yield of the Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments in simple fixed rate (i.e. fixed rate coupons only) instruments.

Since the Margin is fixed at issuance of the transaction, Noteholders are subject to the risk that the Margin does not reflect the spread that investors require in addition to the Reference Rate as a compensation for the risks inherent in the Notes ("market spread"). The market spread typically changes on a daily basis. As the market spread changes, the price of the Notes changes in the opposite direction. A decrease of the market spread has a positive impact on the price of the Notes, an increase of the market spread has a negative impact on the price of the Notes. However, the price of the Notes is subject to changes in the market spread, changes in the Reference Rate or both. Noteholders should be aware that movements of the market spread can adversely affect the price of the Notes and can lead to losses for the Noteholders.

Because the Global Notes are held by or on behalf of the relevant Clearing System(s), Investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

The Notes will be represented by one or more Global Notes. The Global Notes will be kept in custody by or on behalf of a Clearing System. Investors will not be entitled to receive definitive Notes. The relevant Clearing System(s) will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through the Clearing System(s) and the Issuer will discharge its payment obligations under the Notes by making payments to or to the order of, the Clearing System(s) for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of the Clearing System(s) to receive payments under the Notes. The Noteholders shall be aware that the Issuer has no responsibility or liability for the records relating to, or payments made in respect of beneficial interests in the Global Notes.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

The transaction costs may reduce the earnings from the Notes.

The yield on the Notes may be reduced by transaction costs. When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the price for the Notes. These incidental costs may significantly reduce or even exclude the profit potential of the Notes. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Noteholders must take into account that they may also be charged for brokerage fees, commissions and other fees and expenses of such parties (third party costs). In addition to such costs directly related to the purchase of Notes (direct costs), Noteholders must also take into account any follow-up costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

Noteholders must further take into account that upon sales or purchases of Notes prior to an interest payment date (depending on their type and features), the consideration received or paid may or may not include a compensation for accrued interest.

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges when implementing the transaction.

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. An effective yield on the Notes may be diminished by the tax impact on an investment in the Notes. Payments of interest on the Notes, or profits realised by the Noteholder upon the sale or repayment of the Notes, may be subject to taxation in its home jurisdiction or in other jurisdictions in which it is required to pay taxes. The tax impact on an individual Noteholder may differ from the situation described for Noteholders generally. Potential investors are advised not to rely upon the tax summary contained in this document and/or in the Final Terms but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Notes.

All investors are advised to contact their own tax advisors for advice on the tax impact of an investment in the Notes. Examples of taxation risk that investors should consider together with their advisors include among others the risk of double taxation (in Austria and their home jurisdiction). Only these advisers are in a position to duly consider the specific situation of the potential investor.

The Savings Directive requires Member States to provide details of payments of interest and other similar income to the tax authorities of another Member State.

Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments, as amended (the "**EU Savings Directive**") obliges each EU Member State to provide to the tax authorities of other EU Member States details of payments of interest and other similar income paid by a paying agent within its jurisdiction to (or for the benefit of) an individual or certain other persons resident in that other EU Member State, except that Austria, Belgium and Luxembourg were instead authorized to impose a withholding system for a transitional period (the ending of such transitional period being dependent upon the conclusion of agreements relating to information exchange with certain other countries) unless during such period they elect otherwise. Belgium abandoned the transitional withholding system and has provided information in accordance with the EU Savings Directive since 1 January 2010. Also Luxembourg switched from the withholding system to the exchange of information system as of 1 January 2015. In conformity with the prerequisites for the application of the EU Savings Directive, a number of non-EU countries and territories including Switzerland have agreed to apply measures similar to those contained in the EU Savings Directive (a withholding system in the case of Switzerland) with effect from the adoption of the EU Savings Directive. Council Directive 2014/48/EU of 24 March 2014 amending Directive 2003/48/EC on taxation of savings income in the form of interest payments broadens the definition of interest income and extends the scope to interest income derived by individuals via certain entities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union. It should be noted that in connection with a planned amendment of Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC (the "**EU Mutual Assistance Directive**") interest, dividends and other income as well as account balances and sales proceeds from financial assets will be brought within the scope of the automatic exchange of information under the EU Mutual Assistance Directive, thus mirroring the international developments regarding CRS described in detail above. Most likely this will at some point in time lead to a repeal of the EU Savings Directive.

The Issuer or any other non-U.S. financial institution may be required to withhold U.S. tax according to the U.S. Foreign Account Tax Compliance Act.

Pursuant to the foreign account tax compliance provisions of FATCA, the Issuer or any other non-U.S. financial institution through which payments on the Notes may be made, may be required to withhold U.S. tax at a rate of 30% on all, or a portion of, payments made after 31 December 2016 in respect of (i) any Notes issued or materially modified on or after the later of (a) 1 January 2014, and (b) the date when the final regulations applicable to "foreign pass-through payments" enter into force and (ii) any Notes which are treated as equity for U.S. federal tax purposes, whenever issued. The application of FATCA to interest, principal or other amounts paid with respect to the Notes is not entirely clear.

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

FATCA is particularly complex and its application to the Issuer, the Notes and the Noteholders is uncertain at this time. Each Noteholder should consult its own tax adviser to obtain a more detailed explanation of FATCA and to learn how this legislation might affect each Noteholder in its particular circumstance.

Margin lending may increase the risk to a Noteholder of non-performance of the Notes.

Margin lending, where it is permitted, can materially increase the risk to a Noteholder of non-performance of the Notes. If a loan is used to finance the acquisition of the Notes and the Notes subsequently go into default, or if the trading price diminishes significantly, the Noteholder not only has to face a potential loss on its investment, but it will also have to repay the loan and pay interest thereon. This may significantly increase the risk of a loss. Investors should not assume that they will be able to repay the loan or pay interest thereon from the profits of a transaction. Instead, investors should assess their financial situation prior to an investment, as to whether they are able to pay interest on the loan, or to repay the loan on demand, even if they may suffer losses instead of realising gains.

The Notes are governed by Austrian law, and changes in applicable laws, regulations or regulatory policies may have an adverse effect on the Issuer, the Notes and the Noteholders.

The Terms and Conditions of the Notes will be governed by Austrian law. Noteholders should thus note that the governing law may not be the law of their own home jurisdiction and that the law applicable to the Notes may not provide them with similar protection as their own law. Furthermore, no assurance can be given as to the impact of any possible judicial decision or change to Austrian law, or administrative practice after the date of this Prospectus.

The applicable Final Terms of the Notes may stipulate shorter limitation periods than the general limitation periods under Austrian civil law

Subject to the applicable Final Terms, Notes issued under this Prospectus may have shorter limitation periods than the general limitation periods under Austrian civil law. If this is the case, Noteholders must bear in mind that they may not rely on the general limitation periods under Austrian civil law but will be required to assert their rights under the Notes within such shorter limitation period.

GENERAL DESCRIPTION OF THE PROGRAMME

General

Under the Programme, the Issuer may from time to time issue Notes denominated in any currency agreed between the Issuer and the relevant Dealer(s). The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement from time to time, subject to publication of a supplement to this Prospectus.

The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the final terms (the "**Final Terms**").

Currencies

Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in such currencies as agreed by the Issuer and the relevant Dealer(s).

Denominations

Notes will be issued in such denominations as may be agreed by the Issuer and the relevant Dealer(s) and specified in the relevant Final Terms.

Unless otherwise permitted by then current laws and regulations, Notes in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom will have a minimum denomination of GBP 100,000 (or its equivalent in other currencies), unless such Notes may not be redeemed until on or after the first anniversary of their date of issue.

Form of Notes

The Notes will be issued in form of Global Notes (the "**Global Note**") in each case in bearer form. The Notes are subject to special United States tax law requirements where held by U.S. persons. Notes to which U.S. Treasury Regulation § 1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") applies ("**TEFRA D Notes**") will always be represented initially by one or more temporary global notes ("**Temporary Global Note**") which will be exchanged for Notes represented by one or more Permanent Global Note(s) or in each case not earlier than 40 days after the completion of distribution of the Notes comprising the relevant Tranche upon certification of non U.S.-beneficial ownership in the form available from time to time at the specified office of the Paying Agent. The sections of the U.S. Internal Revenue Code referred to in the legend provide that a United States taxpayer, with certain exceptions, will not be permitted to deduct any loss, and will not be eligible for capital gains treatment with respect to any gain realised on any sale, exchange or redemption of Notes.

Issuer

VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe.

Programme Amount

The current maximum aggregate principal amount of all Notes at any one time outstanding under the Programme will not exceed EUR 400,000,000 (or its equivalent in other currencies), subject to an increase from time to time in accordance with applicable law and the provisions of the programme agreement to be concluded on or about the date of this Prospectus (the "**Programme Agreement**") relating to the Programme.

Use of proceeds

The net proceeds from the issue of any Notes will be used by the Issuer for its general funding purposes which is also the reason for the offer. Furthermore, the Issuer intends to increase its own funds under Solvency II.

Method for the calculation of the yield (while Fixed Interest Period)

The yield (while Fixed Interest Period) of a Series of Notes which is displayed in the relevant Final Terms is calculated by the following method: Calculated as the effective interest rate on the Notes on the Issue Date by reference to the internal rate of return. The internal rate of return is defined as the discount rate at which the present value of all future cash flows is equal to the initial investment. As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

Arranger

Erste Group Bank AG acts as arranger in respect of the Programme (the "**Arranger**").

Dealers

The Issuer may from time to time appoint dealers in respect of one or more Tranches. The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Series or in respect of the whole Programme. References in this Prospectus to "**Dealers**" are to Erste Group Bank AG in its capacity as Dealer and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to all persons appointed as a dealer in respect of one or more Tranches.

Listing Agent

Erste Group Bank AG, Graben 21, 1010 Vienna, Austria or any other entity as set forth in the relevant Final Terms for any listed Series of Notes will act as listing agent (the "**Listing Agent**").

Approval and Notifications

In relation to the Notes, in order to be able to conduct a public offer and/or a listing on any Market, application has been made to the FMA in its capacity as competent authority under the Austrian Capital Market Act for approval of this Prospectus. By approving this Prospectus, the FMA gives no undertaking as to the economic and financial soundness of the operation or the quality or solvency of the Issuer.

The Issuer has requested the FMA to provide the competent authority in Luxembourg with a Notification. The Issuer may also request the FMA to provide competent authorities in other host Member States within the European Economic Area with Notifications, subject to the publication of a supplement to this Prospectus in accordance with § 6 of the Austrian Capital Market Act.

Listing and Admission to Trading

Application may be made to list Notes issued under the Programme on the Second Regulated Market (*Geregelter Freiverkehr*) of the Vienna Stock Exchange and/or on the regulated market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*, and, together the "**Markets**"). The Markets are regulated markets for the purposes of the Market and Financial Instruments Directive

2004/39/EC. Notes may further be issued under the Programme without being listed on any stock exchange.

Representation of Noteholders

Pursuant to the Austrian Notes Trustee Act (*Kuratorengesetz*), a trustee (*Kurator*) can be appointed by an Austrian court upon the request of any interested party (e.g. a Noteholder) or upon the initiative of the competent court, for the purposes of representing the common interests of the Noteholders in matters concerning their collective rights. In particular, this may occur if insolvency proceedings are initiated against the Issuer, in connection with any amendments to the terms and conditions of the Notes or changes relating to the Issuer, or under other similar circumstances.

Categories of potential investors.

The Issuer generally does not distinct in various categories of potential investors to which the Notes are offered. The Issuer may offer Notes generally to retail and institutional investors in any jurisdiction where the legal and further requirements for offering securities are fulfilled. If offers are being made simultaneously in the markets of two or more countries, the Issuer generally does not reserve any tranches of Notes for certain of these.

Distribution

Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

Selling Restrictions

Notes are not being offered, sold or delivered within the United States or to U.S. persons. In addition, there are certain restrictions on the offer and sale of Notes and the distribution of offering materials within the European Economic Area and other jurisdictions. For a description of these and other restrictions on sale and transfer see SUBSCRIPTION AND SALE, commencing on page 159.

Authorisations

The establishment of the Programme was authorised by a resolution of the management board (*Vorstand*) of the Issuer dated 24 November 2014.

Series and Tranches of Notes will be issued under the Programme in accordance with internal approvals, as in force from time to time, provided that, unless otherwise specified in the Final Terms, issues of Notes will be made by resolutions of the management board with consent of the working committee of the supervisory board (*Arbeitsausschuss des Aufsichtsrats*) of the Issuer, in accordance with resolutions of the management board and the supervisory board (*Aufsichtsrat*) of the Issuer passed on 24 November 2014 and on 3 December 2014.

Clearance

The Notes have been accepted for clearance through OeKB and may be accepted for clearance through Clearstream Banking AG, Frankfurt am Main ("**CBF**"), Clearstream Banking, société anonyme, Luxembourg ("**CBL**"), Euroclear Bank SA/NV ("**Euroclear**"). The Common Code, the International Securities Identification Number (ISIN) and the Austrian Securities Code (WKN), if any, for each Series and Tranche of Notes will be set out in the relevant Final Terms.

Documents on Display

Prospectus

This Prospectus, any supplement thereto, if any, and any documents incorporated by reference into this Prospectus will be published in electronic form on the website of the Issuer (http://www.vig.com/Subordinated-Notes-Programme-2015) and will be available, during normal business hours, free of charge at the specified office of the Issuer.

This Prospectus has been prepared on the basis that, except to the extent subparagraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Prospectus as completed by final terms in relation to the offer of those Notes may only do so (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Art. 3 of the Prospectus Directive or supplement a prospectus pursuant to Art. 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by final terms which specify that offers may be made other than pursuant to Art. 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable. Except to the extent subparagraph (ii) above may apply, neither any of the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

Final Terms

In relation to Notes which are publicly offered and/or admitted to trading on a Market the final terms relating to the relevant Tranche of Notes (the "**Final Terms**") will be available, during normal business hours, at the specified office of the Issuer and are available for viewing in electronic form on the website of the Issuer (http://www.vig.com/Subordinated-Notes-Programme-2015).

Other Documents

Copies of the documents specified below will be available for inspection at the specified office of the Issuer and at the specified office of the Paying Agent, during normal business hours, as long as any of the Notes are outstanding:

(a) the agency agreement dated the date of this Prospectus (the "**Agency Agreement**");

(b) the articles of association (in the German language and an English translation thereof) of the Issuer;

(c) the annual report 2013 containing the 2013 Audited Consolidated Financial Statements and the annual report 2012 containing the 2012 Audited Consolidated Financial Statements;

(d) the 2013 Audited Non-consolidated Financial Statements and the 2012 Audited Non-consolidated Financial Statements;

(e) the Unaudited Consolidated Financial Statements as of 30 September 2014.

TERMS AND CONDITIONS OF THE NOTES

OPTION I: Nachrangige Unbefristete Schuldverschreibungen

(GERMAN LANGUAGE VERSION)

§ 1
WÄHRUNG, STÜCKELUNG, FORM, EIGENTUM, DEFINITIONEN

(1) *Währung, Stückelung*. Die VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe begibt diese Schuldverschreibungen (die "**Schuldverschreibungen**") in **[*festgelegte Währung einfügen*]** (die "**festgelegte Währung**") im Gesamtnennbetrag von **[*Gesamtnennbetrag einfügen*]** (in Worten: **[*Gesamtnennbetrag in Worten einfügen*]**) (der "**Gesamtnennbetrag**") und in einer Stückelung von **[*festgelegte Stückelung einfügen*]** (die "**festgelegten Stückelung**").

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

(3) *Globalurkunde*.

Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die "**Vorläufige Globalurkunde**") ohne Zinsscheine verbrieft. Die vorläufige Globalurkunde wird an einem Tag, der frühestens 40 Tage spätestens 180 Tage nach dem Tag der Ausgabe der vorläufigen Globalurkunde liegt, gegen eine Dauerglobalurkunde (die "**Dauerglobalurkunde**") ohne Zinsscheine ausgetauscht. Die vorläufige Globalurkunde und die Dauerglobalurkunde (jeweils eine "**Globalurkunde**") tragen jeweils die eigenhändigen oder faksimilierten Unterschriften zweier ordnungsgemäß bevollmächtigter Vertreter der Emittentin und sind jeweils von der Zahlstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.

Ein solcher Austausch wird nur nach Vorlage von Bescheinigungen erfolgen, wonach der oder die wirtschaftlichen Eigentümer der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S.-Personen sind (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten).

Zinszahlungen auf durch eine vorläufige Globalurkunde verbriefte Schuldverschreibungen erfolgen erst nach Vorlage solcher Bescheinigungen. Eine gesonderte Bescheinigung ist hinsichtlich einer jeden solchen Zinszahlung erforderlich.

Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Tag der Ausgabe der vorläufigen Globalurkunde eingeht, wird als ein Ersuchen behandelt werden, die Vorläufige Globalurkunde gegen die Permanente Globalurkunde auszutauschen. Wertpapiere, die im Austausch für die Vorläufige Globalurkunde geliefert werden, sind nur außerhalb der Vereinigten Staaten (wie in § 4(3) definiert) zu liefern.

(4) *Clearing System*. Jede Globalurkunde wird solange von einem oder im Namen eines Clearing Systems verwahrt, bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind. "**Clearing System**" bedeutet **[*Bei mehr als einem Clearing System einfügen:*** jeweils**]** Folgendes: **[**Clearstream Banking AG, Frankfurt am Main ("**CBF**")**]** **[**Clearstream Banking, société anonyme, Luxembourg ("**CBL**")**]** **[**Euroclear Bank SA/NV ("**Euroclear**")**]** **[**CBL und Euroclear jeweils ein "**ICSD**" und zusammen die "**ICSDs**"**]** **[**Oesterreichische Kontrollbank Aktiengesellschaft ("**OeKB**")**]** **[**,**]** **[**und**]** **[*anderes Clearing System angeben*]** oder jeder Funktionsnachfolger hinsichtlich der von **[*bei einem Clearing System einfügen:*** dem Clearing System**]** **[*bei mehr als einem Clearing System einfügen:*** den Clearing Systemen**]** erfüllten Aufgaben.

(5) *Inhaber von Schuldverschreibungen*. "**Anleihegläubiger**" bezeichnet jeden Inhaber eines Miteigentumsanteils oder vergleichbaren Rechts an den Schuldverschreibungen.

(6) *Eigentum*.

(a) Der Anleihegläubiger gilt (soweit nicht zwingende Gesetzes- oder Verwaltungsbestimmungen entgegenstehen) in jeder Hinsicht als Alleineigentümer (ob fällig oder nicht fällig, und unabhängig von irgendwelchen Mitteilungen bezüglich des Eigentums, möglichen Treuhandschaften oder anderen Ansprüchen hieran oder hieraus, etwaigen Vermerken auf der Urkunde oder einem Diebstahl oder Verlust) und niemand kann dafür verantwortlich gemacht werden, dass er den Anleihegläubiger als Alleineigentümer angesehen hat.

(b) Die Übertragung des Eigentums an Schuldverschreibungen geschieht durch Einigung der beteiligten Parteien über den Eigentumsübergang und durch die Übergabe oder auf andere Weise in Übereinstimmung mit den jeweils anzuwendenden Gesetzen und Vorschriften einschließlich der Regeln beteiligter Clearing Systeme. Bezugnahmen in diesen Anleihebedingungen auf "Anleihegläubiger" sind Bezugnahmen auf die Inhaber von Schuldverschreibungen.

(7) *Geschäftstag*. In diesen Anleihebedingungen bezeichnet "**Geschäftstag**" einen Tag (außer einem Samstag oder Sonntag), an dem (i) das Clearing System und (ii) **[*Falls die festgelegte Währung Euro ist, einfügen:*** TARGET (wie nachstehend definiert) **[**und Geschäftsbanken und Devisenmärkte in **[*sämtliche relevante Finanzzentren einfügen*]]]** **[*Falls die festgelegte Währung nicht Euro ist, einfügen*:** Geschäftsbanken und Devisenmärkte in **[*sämtliche relevanten Finanzzentren einfügen*]]** Zahlungen abwickeln.

[*Falls TARGET anwendbar ist, einfügen:* "**TARGET**" bedeutet das Trans-European Automated Real-time Gross settlement Express Transfer-Zahlungssystem 2 oder jedes Nachfolgesystem.**]**

§ 2
STATUS

(1) *Status der Schuldverschreibungen.*

Die Schuldverschreibungen sollen (i) vor dem Solvency II-Umsetzungsdatum Ergänzungskapital und (ii) am oder nach dem Solvency II-Umsetzungsdatum Tier 1, oder, falls nicht als Tier 1 anerkannt, Tier 2, begründen.

Die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen begründen direkte, nicht besicherte und nachrangige Verbindlichkeiten der Emittentin, die:

(a) nachrangig gegenüber allen gegenwärtigen oder zukünftigen nicht-nachrangigen Instrumenten oder Verbindlichkeiten der Emittentin sind;

(b) gleichrangig untereinander und zumindest gleichrangig mit allen anderen gegenwärtigen oder zukünftigen nicht besicherten Instrumenten oder Verbindlichkeiten der Emittentin sind, die nachrangig zu allen nicht-nachrangigen Verbindlichkeiten oder Instrumenten der Emittentin sind oder als nachrangig zu diesen bezeichnet werden (die "**Gleichrangigen Instrumente**"); und

(c) vorrangig gegenüber allen gegenwärtigen oder zukünftigen Instrumenten oder Verbindlichkeiten der Emittentin sind, die nachrangig zu den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen sind oder als nachrangig zu diesen bezeichnet werden, einschließlich gegenüber Verbindlichkeiten in Bezug auf Partizipationskapital gemäß § 73c Abs 1 VAG sowie Aktienkapital jeder Gattung und jedem anderen tier 1-Eigenmittel gemäß Anwendbarem Aufsichtsrecht der Emittentin (alle diese Verbindlichkeiten und Aktien, die "**Nachrangigen Instrumente**").

Im Fall der Auflösung, Liquidation, Insolvenz oder eines sonstigen Verfahrens zur Abwendung der Insolvenz der Emittentin werden Zahlungen auf die Schuldverschreibungen solange nicht geleistet, bis alle Ansprüche gegen die Emittentin aus Verbindlichkeiten, die den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen nach Maßgabe dieses § 2(1) oder kraft Gesetzes im Rang vorgehen, vollständig befriedigt oder sichergestellt sind.

Die Anleihegläubiger erklären, dass keine Insolvenzverfahren gegen die Emittentin in Bezug auf Verbindlichkeiten der Emittentin aus den Schuldverschreibungen eröffnet werden müssen. Die Schuldverschreibungen werden bei der Prüfung, ob die Verbindlichkeiten der Emittentin ihre Vermögenswerte übersteigen, nicht berücksichtigt; die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen werden daher auch nicht bei der Prüfung, ob eine Überschuldung gemäß § 67 Abs 3 der österreichischen Insolvenzordnung (IO) vorliegt, berücksichtigt.

Dabei gilt Folgendes:

"**Anwendbares Aufsichtsrecht**" bezeichnet (i) die Bestimmungen des österreichischen Versicherungsaufsichtsrechts, einschließlich des österreichischen Versicherungsaufsichtsgesetzes; (ii) Solvency II nach dem Solvency II-Umsetzungsdatum; (iii) alle Verordnungen, Standards, Vorgaben, Bescheide, Entscheidungen oder andere Regeln sowie allgemein anerkannte Verwaltungspraktiken der Aufsichtsbehörde; und/oder (iv) alle Standards oder Vorgaben der Europäischen Aufsichtsbehörde für das Versicherungswesen und die betriebliche Altersversorgung (*European Insurance and Occupational Pensions Authority* – EIOPA) oder jeder Nachfolgebehörde, jeweils betreffend Kapitalanforderungen der Emittentin, der Gruppe der Emittentin und/oder der Gruppe von Wiener Städtische Wechselseitiger Versicherungsverein – Vermögensverwaltung – Vienna Insurance Group (der "**WST-Versicherungsverein**"), jeweils in der jeweils geltenden Fassung.

"**Aufsichtsbehörde**" bezeichnet die österreichische Finanzmarktsaufsichtsbehörde (FMA) oder jede Nachfolgebehörde, die für die Aufsicht der Emittentin, der Gruppe der Emittentin und/oder der Gruppe des WST-Versicherungsvereins gemäß Anwendbarem Aufsichtsrecht zuständig ist.

"**Ergänzungskapital**" bezeichnet Ergänzungskapital gemäß § 73c Abs 2 VAG, das als Eigenmittel anrechenbar ist.

"**Solvency II**" bezeichnet die Regeln gemäß (i) der Richtlinie 2009/138/EG des Europäischen Parlaments und des Rates vom 25. November 2009 betreffend die Aufnahme und Ausübung der Versicherungs- und der Rückversicherungstätigkeit (Solvabilität II) (Neufassung); (ii) alle weiteren Rechtsakte der Europäischen Union, einschließlich (aber nicht eingeschränkt auf) der Delegierten Verordnung (EU) 2015/35 der Kommission vom 10. Oktober 2014 zur Ergänzung der Richtlinie 2009/138/EG des Europäischen Parlaments und des Rates betreffend die Aufnahme und Ausübung der Versicherungs- und der Rückversicherungstätigkeit (Solvabilität II); und/oder (iii) die vorstehenden Rechtsakte umsetzendes österreichisches Recht, einschließlich (aber nicht eingeschränkt auf) des österreichischen Versicherungsaufsichtsgesetzes 2016 (VAG 2016*)*, jeweils in der jeweils geltenden Fassung.

"**Solvency II-Umsetzungsdatum**" bezeichnet das Datum, an dem Solvency II Teil des Anwendbaren Aufsichtsrechts wird, aber nicht vor dem 1.1.2016, oder ein späteres Datum im Falle einer Verschiebung von Solvency II.

"**Tier 1**" bezeichnet Eigenmittel, die als tier 1-Eigenmittel gemäß den Übergangsbestimmungen von Solvency II anerkannt sind.

"**Tier 2**" bezeichnet Eigenmittel, die als tier 2-Eigenmittel gemäß Solvency II anrechenbar sind.

"**VAG**" bezeichnet das österreichische Versicherungsaufsichtsgesetz in der jeweils geltenden Fassung.

(2) *Aufrechnungsverbot*.

Die Anleihegläubiger sind nicht berechtigt, Forderungen aus den Schuldverschreibungen mit Forderungen der Emittentin gegen sie aufzurechnen und die Emittentin ist nicht berechtigt, Forderungen gegenüber den Anleihegläubigern mit den Verbindlichkeiten aus den Schuldverschreibungen aufzurechnen. **[**Diese Bestimmung berührt jedoch nicht **[*ausgenommene Ansprüche einfügen*].]**

§ 3
ZINSEN

(1) *Festzinsperiode.*

(a) *Festzinssatz und Festzinszahlungstage.* Die Schuldverschreibungen werden bezogen auf ihre festgelegte Stückelung ab dem **[*Verzinsungsbeginn einfügen*]** (der "**Verzinsungsbeginn**") (einschließlich) bis zum **[*Ersten Kündigungstermin einfügen*]** (der "**Erste Kündigungstermin**") (ausschließlich) mit jährlich **[*Zinssatz einfügen*]** % verzinst.

Während dieses Zeitraums sind Zinsen nachträglich an jedem Festzinszahlungstag zur Zahlung vorgesehen, und werden nach Maßgabe der in § 3(3) und § 3(4) dargelegten Bedingungen fällig.

"**Festzinszahlungstag**" bezeichnet **[*Festzinszahlungstag(e) einfügen*]** eines jeden Jahres, erstmals den **[*ersten Festzinszahlungstag einfügen*]**.

[*Sofern der erste Zinszahlungstag nicht der erste Jahrestag des Verzinsungsbeginns ist, gilt Folgendes:* Die erste Zinszahlung beläuft sich auf **[*anfänglichen Bruchteilzinsbetrag je Festgelegtem Nennbetrag einfügen*]** je festgelegter Stückelung.**]**

(b) *Festzins-Zinstagequotient*. Sofern Zinsen in Bezug auf eine Festzinsperiode oder einen Teil davon zu berechnen sind, erfolgt die Berechnung auf der Grundlage des Festzins-Zinstagequotienten (wie nachstehend definiert).

"**Festzins-Zinstagequotient**" bezeichnet bei der Berechnung des Zinsbetrages für einen beliebigen Zeitraum (ab dem ersten Tag dieses Zeitraums (einschließlich) bis zum letzten Tag dieses Zeitraums (ausschließlich)) (der "**Zinsberechnungszeitraum**"):

[*Wenn die "Actual / Actual (ICMA)" Methode anwendbar ist, gilt Folgendes:*

(i) wenn der Zinsberechnungszeitraum der Feststellungsperiode entspricht, in die er fällt, oder kürzer als diese ist, die Anzahl von Tagen in dem Zinsberechnungszeitraum dividiert durch das Produkt aus (A) der Anzahl von Tagen in der betreffenden Feststellungsperiode und (B) der Anzahl der Feststellungsperioden, die üblicherweise in einem Jahr enden; und

(ii) wenn der Zinsberechnungszeitraum länger als eine Feststellungsperiode ist, die Summe aus

(A) der Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum, die in die Feststellungsperiode fallen, in der der Zinsberechnungszeitraum beginnt, dividiert durch das Produkt aus (1) der Anzahl der Tage in der betreffenden Feststellungsperiode und (2) der Anzahl der Feststellungsperioden, die üblicherweise in einem Jahr enden; und

(B) die Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum, die in die nachfolgende Feststellungsperiode fallen, dividiert durch das Produkt aus (1) der Anzahl der Tage in der betreffenden Feststellungsperiode und (2) der Anzahl der Feststellungsperioden, die üblicherweise in einem Jahr enden.

Dabei gilt Folgendes:

"**Feststellungstermin**" bezeichnet jeden **[*Feststellungstermin(e) einfügen*]**;

"**Feststellungsperiode**" bezeichnet jede Periode ab einem Feststellungstermin (einschließlich), der in ein beliebiges Jahr fällt, bis zum nächsten Feststellungstermin (ausschließlich).**]**

[*Wenn die "Actual / Actual (ISDA)" Methode anwendbar ist, gilt Folgendes:* die tatsächliche Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 365 (oder, falls ein Teil dieses Zinsberechnungszeitraumes in ein Schaltjahr fällt, die Summe aus (A) der tatsächlichen Anzahl der Tage in dem Teil des Zinsberechnungszeitraums, die in das Schaltjahr fallen, dividiert durch 366 und (B) die tatsächliche Anzahl der Tage in dem Teil des Zinsberechnungszeitraums, die nicht in ein Schaltjahr fallen, dividiert durch 365).**]**

[*Wenn die "Actual / 365 (Fixed)" Methode anwendbar ist, gilt Folgendes:* die tatsächliche Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 365.**]**

[*Wenn die "Actual / 360" Methode anwendbar ist, gilt Folgendes:* die tatsächliche Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 360.**]**

[*Wenn die "30 / 360" oder "360 / 360" oder Bond Basis Methode anwendbar ist, gilt Folgendes:* die Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 360 (wobei die Anzahl der Tage auf Grundlage eines Jahres von 360 Tagen mit 12 Monaten je 30 Tagen zu berechnen ist, es sei denn, (A) der letzte Tag des Zinsberechnungszeitraums fällt auf den 31. Tag eines Monats, während der erste Tag des Zinsberechnungszeitraums weder auf den 30. noch auf den 31. Tag eines Monats fällt; in diesem Fall ist der Monat des letzten Tages des Zinsberechnungszeitraums nicht als ein auf 30 Tage gekürzter Monat zu behandeln; oder (B) der letzte Tag des Zinsberechnungszeitraums fällt auf den letzten Tag des Monats Februar; in diesem Fall ist der Monat Februar nicht als ein auf 30 Tage verlängerter Monat zu behandeln).**]**

[*Wenn die "30E / 360" oder "Eurobond Basis" Methode anwendbar ist, gilt Folgendes: die* Anzahl der Tage im Zinsberechnungszeitraum, dividiert durch 360 (dabei ist die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit 12 Monaten zu 30 Tagen zu ermitteln, und zwar ohne Berücksichtigung des Datums des ersten oder letzten Tages des Zinsberechnungszeitraumes).**]**

(2) *Variable Zinsperiode.*

(a) Variable Zinszahlungstage.

(i) Die Schuldverschreibungen werden bezogen auf ihre festgelegte Stückelung ab dem Ersten Kündigungstermin (einschließlich) bis zum ersten Variablen Zinszahlungstag (wie nachstehend definiert) (ausschließlich) und danach von jedem Variablen Zinszahlungstag (einschließlich) bis zum nächstfolgenden Variablen Zinszahlungstag (ausschließlich) mit einem jährlichen Satz, der dem Variablen Zinssatz (wie nachstehend definiert) entspricht, verzinst. Während dieses Zeitraums sind Zinsen jeweils nachträglich an jedem Variablen Zinszahlungstag zur Zahlung vorgesehen, und werden nach Maßgabe der in § 3(3) und § 3(4) dargelegten Bedingungen fällig. Der zu zahlende Variable Zinsbetrag wird gemäß § 3(2)(c) berechnet.

(ii) "**Variabler Zinszahlungstag**" bezeichnet, vorbehaltlich der Geschäftstagekonvention,

[*Im Fall von Festgelegten Zinszahlungstagen gilt Folgendes:* [*festgelegte Variable Zinszahlungstage einfügen*] eines jeden Jahres.**]**

[*Im Fall von Festgelegten Zinsperioden gilt Folgendes:* jeweils den Tag, der **[*Zahl einfügen*] [*Wochen*] [*Monate*]** nach dem vorausgehenden Variablen Zinszahlungstag, oder im Fall des ersten Variablen Zinszahlungstages, nach dem Ersten Kündigungstermin liegt.**]**

(iii) "**Geschäftstagekonvention**" hat die folgende Bedeutung: Fällt ein

Zinszahlungstag auf einen Tag, der kein Geschäftstag ist, so wird der Zinszahlungstag

[*im Fall der Modified Following Business Day Convention (adjusted) gilt Folgendes:* auf den nächstfolgenden Geschäftstag verschoben, es sei denn, jener würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall wird der Zinszahlungstag auf den unmittelbar vorausgehenden Geschäftstag vorgezogen.]

[*im Fall der FRN-Konvention (adjusted) gilt Folgendes:* auf den nächstfolgenden Geschäftstag verschoben, es sei denn, jener würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall (i) wird der Zinszahlungstag auf den unmittelbar vorausgehenden Geschäftstag vorgezogen und (ii) ist jeder nachfolgende Zinszahlungstag der jeweils letzte Geschäftstag des Monats, in den dieser gefallen wäre, hätte es die Verschiebung nicht gegeben.]

[*im Fall der Following Business Day Convention (adjusted) gilt Folgendes:* auf den nächstfolgenden Geschäftstag verschoben.]

[*im Fall der Preceding Business Day Convention (adjusted) gilt Folgendes:* auf den unmittelbar vorausgehenden Geschäftstag vorgezogen.]

[***Falls der Referenzsatz EURIBOR ist, gilt Folgendes:***

(b) *Variabler Zinssatz*. Der "**Variable Zinssatz**" für jede Variable Zinsperiode (wie nachstehend definiert) ist der Referenzsatz (wie nachstehend definiert) zuzüglich der Marge (wie nachstehend definiert).

(i) Der "**Referenzsatz**" für jede Variable Zinsperiode ist, sofern nachstehend nichts Abweichendes bestimmt wird:

(A) wenn nur ein Angebotssatz auf der Bildschirmseite (wie nachstehend definiert) angezeigt ist, der Angebotssatz, oder

(B) wenn mehr als ein Angebotssatz auf der Bildschirmseite angezeigt wird, das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein Tausendstel Prozent, wobei 0,0005 aufgerundet wird) dieser Angebotssätze,

(ausgedrückt als Prozentsatz *per annum*) für Einlagen in Euro für die jeweilige Variable Zinsperiode, der bzw die auf der Bildschirmseite am betreffenden Zinsfestsetzungstag (wie nachstehend definiert) gegen 11.00 Uhr (Brüsseler Ortszeit) angezeigt wird bzw werden, wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

(ii) Sollte die Bildschirmseite nicht zur Verfügung stehen oder wird zu dem betreffenden Zeitpunkt kein Angebotssatz angezeigt, wird die Berechnungsstelle von den Referenzbanken (wie nachstehend definiert) deren jeweilige Angebotssätze (jeweils als Prozentsatz *per annum* ausgedrückt) für Einlagen in der Festgelegten Währung für die betreffende Variable Zinsperiode und über einen Repräsentativen Betrag (wie nachstehend definiert) gegenüber führenden Banken im Interbankenmarkt der Euro-Zone um ca. 11.00 Uhr (Brüsseler Ortszeit) an dem betreffenden Zinsfeststellungstag einholen. Falls zwei oder mehr Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, ist der Referenzsatz für die betreffende Variable Zinsperiode das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste Tausendstel Prozent, wobei 0,0005 aufgerundet wird) dieser Angebotssätze, wobei alle Feststellungen durch die Berechnungsstelle erfolgen.

(iii) Falls an dem betreffenden Zinsfeststellungstag nur eine oder keine der Referenzbanken der Berechnungsstelle die im vorstehenden Absatz beschriebenen Angebotssätze nennt, ist der Referenzsatz für die betreffende

Variable Zinsperiode der Satz *per annum*, den die Berechnungsstelle als das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste Tausendstel Prozent, wobei 0,0005 aufgerundet wird) der Sätze ermittelt, die von der Berechnungsstelle nach Treu und Glauben ausgewählte Großbanken im Interbankenmarkt der Euro-Zone der Berechnungsstelle auf ihre Anfrage als den jeweiligen Satz nennen, zu dem sie um 11.00 Uhr (Brüsseler Ortszeit) am betreffenden Zinsfeststellungstag Darlehen in der Festgelegten Währung für die betreffende Variable Zinsperiode und über einen Repräsentativen Betrag gegenüber führenden europäischen Banken anbieten.

Für den Fall, dass der Referenzsatz nicht gemäß den vorstehenden Bestimmungen dieses Absatzes ermittelt werden kann, ist der Referenzsatz der Angebotssatz oder das arithmetische Mittel der Angebotssätze auf der Bildschirmseite, wie vorstehend beschrieben, an dem letzten Tag vor dem Zinsfestsetzungstag, an dem diese Angebotssätze angezeigt wurden.

Dabei gilt Folgendes:

"**Bildschirmseite**" bezeichnet Reuters Bildschirmseite EURIBOR01 oder eine andere Bildschirmseite von Reuters oder von einem anderen Informationsanbieter als Nachfolger, welche die Reuters Bildschirmseite EURIBOR01 ersetzt.

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

Die "**Marge**" beträgt **[*Zahl einfügen*]** % *per annum*.

"**Referenzbanken**" bezeichnet im vorstehenden Fall § 3(2)(b)(i)(A) diejenigen Niederlassungen von vier derjenigen Banken, deren Angebotssätze zur Ermittlung des maßgeblichen Angebotssatzes zu dem Zeitpunkt benutzt wurden, als solch ein Angebot letztmals auf der maßgeblichen Bildschirmseite angezeigt wurde, und im vorstehenden Fall § 3(2)(b)(i)(B) diejenigen Banken, deren Angebotssätze zuletzt zu dem Zeitpunkt auf der maßgeblichen Bildschirmseite angezeigt wurden, als letztmals nicht weniger als drei solcher Angebotssätze angezeigt wurden.

"**Repräsentativer Betrag**" bezeichnet einen Betrag, der zu der jeweiligen Zeit in dem jeweiligen Markt für eine einzelne Transaktion repräsentativ ist.

"**TARGET-Geschäftstag**" bezeichnet einen Tag, an dem das Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET) betriebsbereit ist.

"**Variable Zinsperiode**" bezeichnet den Zeitraum ab dem Ersten Kündigungstermin (einschließlich) bis zum ersten Variablen Zinszahlungstag (ausschließlich) sowie jeden folgenden Zeitraum ab einem Variablen Zinszahlungstag (einschließlich) bis zum jeweils darauf folgenden Variablen Zinszahlungstag (ausschließlich).

"**Zinsfestsetzungstag**" bezeichnet den zweiten TARGET-Geschäftstag vor Beginn der jeweiligen Variablen Zinsperiode.

"**Zinsperiode**" bezeichnet jede Festzinsperiode und jede Variable Zinsperiode.

"**Zinszahlungstag**" bezeichnet jeden Festzinszahlungstag und jeden Variablen Zinszahlungstag.**]**

[*Falls der Referenzsatz LIBOR ist, gilt Folgendes:*

(b) *Variabler Zinssatz*. Der "**Variable Zinssatz**" für jede Variable Zinsperiode (wie nachstehend definiert) ist der Referenzsatz (wie nachstehend definiert) zuzüglich der Marge (wie nachstehend definiert).

(i) Der "**Referenzsatz**" für jede Variable Zinsperiode ist, sofern nachstehend nichts Abweichendes bestimmt wird:

(A) wenn nur ein Angebotssatz auf der Bildschirmseite (wie nachstehend definiert) angezeigt ist, der Angebotssatz, oder

(B) wenn mehr als ein Angebotssatz auf der Bildschirmseite angezeigt wird, das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein Hunderttausendstel Prozent, wobei 0,000005 aufgerundet wird) dieser Angebotssätze,

(ausgedrückt als Prozentsatz *per annum*) für Einlagen in der Festgelegten Währung für die jeweilige Variable Zinsperiode, der bzw die auf der Bildschirmseite am betreffenden Zinsfestsetzungstag (wie nachstehend definiert) gegen 11.00 Uhr (Londoner Ortszeit) angezeigt wird bzw werden zuzüglich der Marge (wie nachstehend definiert), wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

(ii) Sollte die Bildschirmseite nicht zur Verfügung stehen oder wird zu dem betreffenden Zeitpunkt kein Angebotssatz angezeigt, wird die Berechnungsstelle von den Referenzbanken (wie nachstehend definiert) deren jeweilige Angebotssätze (jeweils als Prozentsatz *per annum* ausgedrückt) für Einlagen in der Festgelegten Währung für die betreffende Variable Zinsperiode und über einen Repräsentativen Betrag (wie nachstehend definiert) gegenüber führenden Banken im Londoner Interbankenmarkt um ca. 11.00 Uhr (Londoner Ortszeit) an dem betreffenden Zinsfeststellungstag einholen. Falls zwei oder mehr Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, ist der Referenzsatz für die betreffende Variable Zinsperiode das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste Hunderttausendstel Prozent, wobei 0,000005 aufgerundet wird) dieser Angebotssätze, wobei alle Feststellungen durch die Berechnungsstelle erfolgen.

(iii) Falls an dem betreffenden Zinsfeststellungstag nur eine oder keine der Referenzbanken der Berechnungsstelle die im vorstehenden Absatz beschriebenen Angebotssätze nennt, ist der Referenzsatz für die betreffende Variable Zinsperiode der Satz *per annum*, den die Berechnungsstelle als das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste Hunderttausendstel Prozent, wobei 0,000005 aufgerundet wird) der Sätze ermittelt, die von der Berechnungsstelle nach Treu und Glauben ausgewählte Großbanken im Londoner Interbankenmarkt der Berechnungsstelle auf ihre Anfrage als den jeweiligen Satz nennen, zu dem sie um 11.00 Uhr (Londoner Ortszeit) am betreffenden Zinsfeststellungstag Darlehen in der Festgelegten Währung für die betreffende Variable Zinsperiode und über einen Repräsentativen Betrag gegenüber führenden europäischen Banken anbieten.

Für den Fall, dass der Referenzsatz nicht gemäß den vorstehenden Bestimmungen dieses Absatzes ermittelt werden kann, ist der Referenzsatz der Angebotssatz oder das arithmetische Mittel der Angebotssätze auf der Bildschirmseite, wie vorstehend beschrieben, an dem letzten Tag vor dem Zinsfestsetzungstag, an dem diese Angebotssätze angezeigt wurden.

Dabei gilt Folgendes:

"**Bildschirmseite**" bezeichnet Reuters Bildschirmseite LIBOR01 oder eine andere Bildschirmseite von Reuters oder von einem anderen Informationsanbieter als Nachfolger, welche die Reuters Bildschirmseite LIBOR01 ersetzt.

"**Londoner Geschäftstag**" bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem Geschäftsbanken in London für Geschäfte (einschließlich Devisen- und Sortengeschäfte) geöffnet sind.

Die "**Marge**" beträgt **[*Zahl einfügen*]** % *per annum*.

"**Referenzbanken**" bezeichnet im vorstehenden Fall § 3(2)(b)(i)(A) diejenigen Niederlassungen von vier derjenigen Banken, deren Angebotssätze zur Ermittlung des maßgeblichen Angebotssatzes zu dem Zeitpunkt benutzt wurden, als solch ein Angebot letztmals auf der maßgeblichen Bildschirmseite angezeigt wurde, und im vorstehenden Fall § 3(2)(b)(i)(B) diejenigen Banken, deren Angebotssätze zuletzt zu dem Zeitpunkt auf der maßgeblichen Bildschirmseite angezeigt wurden, als letztmals nicht weniger als drei solcher Angebotssätze angezeigt wurden.

"**Repräsentativer Betrag**" bezeichnet einen Betrag, der zu der jeweiligen Zeit in dem jeweiligen Markt für eine einzelne Transaktion repräsentativ ist.

"**Variable Zinsperiode**" bezeichnet den Zeitraum ab dem Ersten Kündigungstermin (einschließlich) bis zum ersten Variablen Zinszahlungstag (ausschließlich) sowie jeden folgenden Zeitraum ab einem Variablen Zinszahlungstag (einschließlich) bis zum jeweils darauf folgenden Variablen Zinszahlungstag (ausschließlich).

"**Zinsfestsetzungstag**" bezeichnet den **[**ersten**]** **[**zweiten**]** Londoner Geschäftstag vor Beginn der jeweiligen Variable Zinsperiode.

"**Zinsperiode**" bezeichnet jede Festzinsperiode und jede Variable Zinsperiode.

"**Zinszahlungstag**" bezeichnet jeden Festzinszahlungstag und jeden Variablen Zinszahlungstag.**]**

(c) *Variabler Zinsbetrag*. Die Berechnungsstelle wird zu oder baldmöglichst nach jedem Zeitpunkt, an dem der Variable Zinssatz zu bestimmen ist, den auf die Schuldverschreibungen zur Zahlung vorgesehenen Variablen Zinsbetrag bezogen auf jeden Festgelegten Nennbetrag (der "**Zinsbetrag**") für die entsprechende Variable Zinsperiode berechnen. Der Variable Zinsbetrag wird ermittelt, indem der Variable Zinssatz und der Variable Zinstagequotient (wie nachstehend definiert) auf jede festgelegte Stückelung angewendet werden, wobei der resultierende Betrag **[*falls die Festgelegte Währung Euro ist, einfügen:*** auf den nächsten 0,01 Euro auf- oder abgerundet wird, wobei 0,005 Euro aufgerundet werden.**]** **[*falls die Festgelegte Währung nicht Euro ist, einfügen:*** auf die kleinste Einheit der Festgelegten Währung auf- oder abgerundet wird, wobei 0,5 solcher Einheiten aufgerundet werden.**]**

"**Variabler Zinstagequotient**" bezeichnet bei der Berechnung des Zinsbetrages für einen beliebigen Zinsberechnungszeitraum:

[*Wenn die "Actual / Actual (ISDA)" Methode anwendbar ist, gilt Folgendes:* die tatsächliche Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 365 (oder, falls ein Teil dieses Zinsberechnungszeitraumes in ein Schaltjahr fällt, die Summe aus (A) der tatsächlichen Anzahl der Tage in dem Teil des Zinsberechnungszeitraums, die in das Schaltjahr fallen, dividiert durch 366 und (B) die tatsächliche Anzahl der Tage in dem Teil des Zinsberechnungszeitraums, die nicht in ein Schaltjahr fallen, dividiert durch 365).**]**

[*Wenn die "Actual / 365 (Fixed)" Methode anwendbar ist, gilt Folgendes:* die tatsächliche Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 365.**]**

[*Wenn die "Actual / 360" Methode anwendbar ist, gilt Folgendes:* die tatsächliche Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 360.**]**

[*Wenn die "30 / 360" oder "360 / 360" oder Bond Basis Methode anwendbar ist, gilt Folgendes:* die Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 360, (wobei die Anzahl der Tage auf Grundlage eines Jahres von 360 Tagen mit 12 Monaten je 30 Tagen zu berechnen ist, es sei denn, (A) der letzte Tag des Zinsberechnungszeitraums fällt auf den 31. Tag eines Monats, während der erste Tag des Zinsberechnungszeitraums weder auf den 30. noch auf den 31. Tag eines Monats fällt; in diesem Fall ist der Monat des letzten Tages des Zinsberechnungszeitraums nicht als ein auf 30 Tage gekürzter Monat zu behandeln; oder (B) der letzte Tag des Zinsberechnungszeitraums fällt auf den letzten Tag des Monats Februar; in diesem Fall ist der Monat Februar nicht als ein auf 30 Tage verlängerter Monat zu behandeln).**]**

[*Wenn die "30E / 360" oder "Eurobond Basis" Methode anwendbar ist, gilt Folgendes:* die Anzahl der Tage im Zinsberechnungszeitraum, dividiert durch 360 (dabei ist die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit 12 Monaten zu 30 Tagen zu ermitteln, und zwar ohne Berücksichtigung des Datums des ersten oder letzten Tages des Zinsberechnungszeitraumes).**]**

[*Falls der Referenzsatz EURIBOR ist, gilt Folgendes*:

(d) *Mitteilungen*. Die Berechnungsstelle wird veranlassen, dass der Variable Zinssatz, der Variable Zinsbetrag für die jeweilige Variable Zinsperiode, die jeweilige Variable Zinsperiode und der relevante Variable Zinszahlungstag der Emittentin und den Anleihegläubigern durch Bekanntmachung gemäß § 11 baldmöglichst, aber keinesfalls später als am vierten auf die Berechnung jeweils folgenden TARGET-Geschäftstag und jeder Börse, an der die betreffenden Schuldverschreibungen zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, umgehend, aber keinesfalls später als zu Beginn der jeweiligen Variablen Zinsperiode bekannt gemacht werden. Im Fall einer Verlängerung oder Verkürzung der Variablen Zinsperiode können der mitgeteilte Variable Zinsbetrag und Variable Zinszahlungstag ohne Vorankündigung nachträglich angepasst (oder andere geeignete Anpassungsregelungen getroffen) werden. Jede solche Anpassung wird umgehend allen Börsen, an denen die Schuldverschreibungen zu diesem Zeitpunkt notiert sind, sowie den Anleihegläubigern gemäß § 11 bekannt gemacht.]

[*Falls der Referenzsatz LIBOR ist, gilt Folgendes:*

(d) *Mitteilungen*. Die Berechnungsstelle wird veranlassen, dass der Variable Zinssatz, der Variable Zinsbetrag für die jeweilige Variable Zinsperiode, die jeweilige Variable Zinsperiode und der relevante Variable Zinszahlungstag der Emittentin und den Anleihegläubigern durch Bekanntmachung gemäß § 11 baldmöglichst, aber keinesfalls später als am vierten auf die Berechnung jeweils folgenden Londoner Geschäftstag und jeder Börse, an der die betreffenden Schuldverschreibungen zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, umgehend, aber keinesfalls später als zu Beginn der jeweiligen Variable Zinsperiode bekannt gemacht werden. Im Fall einer Verlängerung oder Verkürzung der Variablen Zinsperiode können der mitgeteilte Variable Zinsbetrag und Variable Zinszahlungstag ohne Vorankündigung nachträglich angepasst (oder andere geeignete Anpassungsregelungen getroffen) werden. Jede solche Anpassung wird umgehend allen Börsen, an denen die Schuldverschreibungen zu diesem Zeitpunkt notiert sind, sowie den Anleihegläubigern gemäß § 11 bekannt gemacht.**]**

(e) *Verbindlichkeit der Festsetzungen*. Alle Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der Berechnungsstelle für Zwecke dieses § 3(2) gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern nicht ein offensichtlicher Irrtum vorliegt) für die Emittentin, die Zahlstelle und die Anleihegläubiger bindend.

(3) *Fälligkeit von Zinszahlungen, wahlweise und zwingende Aussetzung von Zinszahlungen*.

(a) Zinsen, die während einer Zinsperiode auflaufen, die an einem Obligatorischen Zinszahlungstag (wie nachstehend definiert) (ausschließlich) endet, werden an diesem Obligatorischen Zinszahlungstag fällig.

(b) Zinsen, die während einer Zinsperiode auflaufen, die an einem Optionalen Zinszahlungstag (wie nachstehend definiert) (ausschließlich) endet, werden an diesem Optionalen Zinszahlungstag fällig, es sei denn, die Emittentin entscheidet sich durch eine Mitteilung an die Anleihegläubiger gemäß § 11 innerhalb einer Frist von nicht weniger als 10 und nicht mehr als 15 Geschäftstagen vor dem betreffenden

Zinszahlungstag dazu, die betreffende Zinszahlung auszusetzen.

Wenn sich die Emittentin an einem Optionalen Zinszahlungstag zur vollständigen oder teilweisen Aussetzung aufgelaufener Zinsen entschieden hat, ist sie nicht verpflichtet, an dem betreffenden Optionalen Zinszahlungstag aufgelaufene Zinsen zu zahlen bzw ist sie nur verpflichtet, den Teil der aufgelaufenen Zinsen zu leisten, für dessen Aussetzung sie sich nicht entschieden hat. Eine Nichtzahlung aus diesem Grunde begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke.

(c) Falls in Bezug auf einen Zinszahlungstag ein Obligatorisches Aussetzungsereignis eingetreten ist, werden Zinsen, die während eines Zeitraumes aufgelaufen sind, der an dem betreffenden Zinszahlungstag (ausschließlich) endet, an diesem Zinszahlungstag nicht fällig. Die Emittentin wird die Anleihegläubiger gemäß § 11 über den Eintritt eines Obligatorischen Aussetzungsereignisses baldmöglichst nach seiner Feststellung, spätestens am vierten Geschäftstag nach dem betreffenden Zinszahlungstag informieren. Eine Nichtzahlung aus diesem Grunde begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke.

(d) Nach Maßgabe dieses § 3(3) nicht fällig gewordene aufgelaufene Zinsen für eine Zinsperiode sind Zinsrückstände (die "**Zinsrückstände**").

Anleihegläubiger erhalten keine Zinsen oder sonstige Entschädigung im Falle einer optionalen Stundung der Zinszahlung. Insbesondere werden Zinsrückstände nicht verzinst.

Dabei gilt Folgendes:

"**Anwendbares Insolvenzrecht**" bezeichnet die auf die Emittentin anwendbaren Bestimmungen des relevanten Insolvenzrechts, einslchließlich (aber nicht eingeschränkt auf) die Insolvenzordnung (IO) und alle diesbezüglichen Regelungen und Verordnungen (einschließlich anwendbarer Gerichtsentscheidungen), in der jeweils geltenden Fassung.

Ein "**Insolvenzereignis**" ist in Bezug auf eine Zahlung von Zinsen, Zinsrückständen oder Kapital auf die Schuldverschreibungen oder einen Rückkauf der Schuldverschreibungen eingetreten, wenn die Emittentin dadurch nach Maßgabe des Anwendbaren Insolvenzrechts insolvent würde.

"**Obligatorischer Zinszahlungstag**" bezeichnet jeden Zinszahlungstag, in Bezug auf den während der letzten zwölf Monate vor dem betreffenden Zinszahlungstag ein Obligatorisches Zinszahlungsereignis eingetreten ist, und in Bezug auf den kein Obligatorisches Aussetzungsereignis eingetreten ist und fortdauert.

Ein "**Obligatorisches Aussetzungsereignis**" ist in Bezug auf einen Tag, an dem Zahlungen von Zinsen und/oder Zinsrückständen gemäß diesen Anleihebedingungen vorgesehen sind, eingetreten, wenn

(a) die entsprechende Zahlung zu einem Insolvenzereignis führen oder dessen Eintritt beschleunigen würde; oder

(b) die Aufsichtsbehörde der Emittentin die Leistung von Zahlungen auf die Schuldverschreibungen untersagt hat; oder

(c) an oder vor diesem Tag ein Solvenzkapital-Ereignis eingetreten ist und an diesem Tag fortdauert oder durch die Zahlung von Zinsen und/oder Zinsrückständen durch die Emittentin an diesem Tag eintreten würde, es sei denn, dass

   (i) an oder vor diesem Tag die Aufsichtsbehörde ihre vorherige Genehmigung zur Zahlung der betreffenden Zinsen und/oder Zinsrückstände ausnahmsweise erteilt und bis zu diesem Tag nicht widerrufen hat; und

   (ii) die Zahlung der betreffenden Zinsen und/oder Zinsrückstände die Solvabilität der

Emittentin, der Gruppe der Emittentin und/oder der Gruppe des WST-Versicherungsvereins nicht weiter schwächt; und

(iii) die Mindestkapitalanforderung (MCR) (wie auch immer im Anwendbaren Aufsichtsrecht bezeichnet) gemäß dem Anwendbaren Aufsichtsrecht nach der Zahlung der betreffenden Zinsen und/oder Zinsrückstände eingehalten wird; oder

(d) vor dem Solvency II-Umsetzungsdatum, und wenn und soweit notwendig, damit die Schuldverschreibungen als Ergänzungskapital der Emittentin, der Gruppe und/oder der Gruppe des WST-Versicherungsvereins anrechenbar sind, eine entsprechende Zahlung nicht im Jahresüberschuss der Emittentin, wie er nach § 73c Abs 2 Z 2 VAG (handelsrechtlicher Gewinn vor Nettoveränderung von Rücklagen) berechnet und im zuletzt geprüften und festgestellten unkonsolidierten Jahresabschluss der Emittentin ausgewiesen und gemäß den österreichischen allgemein anerkannten Grundsätzen ordnungsmäßiger Buchführung, wie in den anwendbaren österreichischen Rechtsvorschriften beschrieben, ermittelt wurde, gedeckt ist.

"**Obligatorisches Zinszahlungsereignis**" bezeichnet jedes der folgenden Ereignisse:

(i) auf der letzten ordentlichen Hauptversammlung der Emittentin, die stattfand, wurde eine Dividende, sonstige Ausschüttung oder Zahlung auf Gleichrangige Instrumente oder Nachrangige Instrumente wirksam beschlossen; oder

(ii) seit der letzten ordentlichen Hauptversammlung der Emittentin hat die Emittentin eine Abschlagszahlung auf den Bilanzgewinn geleistet; oder

(iii) die Emittentin hat, direkt oder indirekt über eine ihrer Tochtergesellschaften, Aktien jeder Gattung gegen Barzahlung zurückgekauft (mit Ausnahme von Rückkäufen, die in Verbindung mit Aktienoptionen oder Aktienbeteiligungsprogrammen für das das Management oder für Angestellte der Emittentin oder verbundene Unternehmen der Emittentin im Rahmen der gewöhnlichen Geschäftstätigkeit gemacht wurden).

"**Optionaler Zinszahlungstag**" bezeichnet jeden Zinszahlungstag, in Bezug auf den während der letzten zwölf Monate vor dem betreffenden Zinszahlungstag kein Obligatorisches Zinszahlungsereignis eingetreten ist, und in Bezug auf den kein Obligatorisches Aussetzungsereignis eingetreten ist und fortdauert.

Ein "**Solvenzkapital-Ereignis**" ist eingetreten, falls:

(i) vor dem Solvency°II-Umsetzungsdatum die Emittentin, die Gruppe der Emittentin und/oder die Gruppe des WST-Versicherungsvereins nicht über ausreichend Eigenmittel zur Deckung der geforderten Mindest-Solvabilitätsspanne verfügen, wie sie nach dem Anwendbarem Aufsichtsrecht vorgeschrieben ist; und

(ii) am oder nach dem Solvency°II-Umsetzungsdatum die Eigenmittel (wie auch immer im Anwendbaren Aufsichtsrecht bezeichnet) der Emittentin, der Gruppe der Emittentin und/oder der Gruppe des WST-Versicherungsvereins nicht ausreichen, um die Solvenzkapitalanforderung (SCR), Mindestkapitalanforderung (MCR) oder jede andere anwendbare Kapitalanforderung (wie auch immer im Anwendbaren Aufsichtsrecht bezeichnet) gemäß dem Anwendbaren Aufsichtsrecht zu decken, was auch immer früher eintritt, und gemäß dem Anwendbaren Aufsichtsrecht eine Aussetzung von Zinszahlungen oder die Nichtzahlung von Zinsrückständen, die Nicht-Rückzahlung des Kapitals oder der Nicht-Rückkauf erforderlich ist, damit die Schuldverschreibungen als Tier 1 der Emittentin, der Gruppe der Emittentin und/oder der Gruppe des WST-Versicherungsvereins anerkannt werden oder als Tier 2 der Emittentin, der Gruppe der Emittentin und/oder der Gruppe des WST-Versicherungsvereins anrechenbar sind.

(4) *Nachzahlung von Zinsrückständen*.

(a) *Optionale Nachzahlung von Zinsrückständen*.

Die Emittentin ist berechtigt, ausstehende Zinsrückstände jederzeit (ganz oder teilweise) nachzuzahlen, wenn die Nachzahlungsvoraussetzungen (wie nachstehend definiert) in Bezug auf diese Zahlung erfüllt sind.

Wenn sich die Emittentin dazu entscheidet, ausstehende Zinsrückstände (ganz oder teilweise) nachzuzahlen, wird sie die Anleihegläubiger durch Mitteilung gemäß § 11 unter Einhaltung einer Frist von nicht weniger als 10 und nicht mehr als 15 Geschäftstagen hierüber in Kenntnis setzen, wobei eine solche Bekanntmachung (i) den Betrag an Zinsrückständen, der gezahlt werden soll, und (ii) den für diese Zahlung festgelegten Tag (der "**Optionale Nachzahlungstag**") enthalten muss.

Nach einer solchen Bekanntmachung wird der darin angegebene Betrag an Zinsrückständen am angegebenen Optionalen Nachzahlungstag fällig und die Emittentin ist verpflichtet, diesen Betrag an Zinsrückständen am Optionalen Nachzahlungstag nachzuzahlen, sofern an diesem Tag die Nachzahlungsvoraussetzungen (wie nachstehend definiert) in Bezug auf die betreffende Zahlung erfüllt sind.

(b) *Pflicht zur Nachzahlung von Zinsrückständen*.

Vorbehaltlich des nachstehenden § 3(4)(c) ist die Emittentin verpflichtet, sämtliche ausstehenden Zinsrückstände (insgesamt und nicht nur teilweise) am nächsten Obligatorischen Nachzahlungstag (wie nachstehend definiert) nachzuzahlen.

(c) Falls an einem Optionalen Nachzahlungstag oder einem Obligatorischen Nachzahlungstag die Nachzahlungsvoraussetzungen, soweit erforderlich, nicht erfüllt sind, werden Zinsrückstände, deren Zahlung an diesem Tag vorgesehen war, an dem betreffenden Optionalen Nachzahlungstag oder Obligatorischen Nachzahlungstag nicht fällig, sondern bleiben ausstehend. Die Emittentin wird die Anleihegläubiger gemäß § 11 über die Nichterfüllung der Nachzahlungsvoraussetzungen baldmöglichst nach ihrer Feststellung, spätestens am vierten Geschäftstag nach dem betreffenden Optionalen Nachzahlungstag oder Obligatorischen Nachzahlungstag informieren. Eine Nichtzahlung aus diesem Grunde begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke.

Dabei gilt Folgendes:

"**Obligatorischer Nachzahlungstag**" bezeichnet den früheren der folgenden Tage:

(i) den nächsten Zinszahlungstag, der auf den Tag folgt, an dem ein Obligatorisches Zinszahlungsereignis eingetreten ist, und in Bezug auf den die Nachzahlungsvoraussetzungen erfüllt sind;

(ii) den Tag, an dem die Schuldverschreibungen zur Rückzahlung fällig werden;

(iii) den Tag, an dem eine Verfügung zur Auflösung, Abwicklung oder Liquidation der Emittentin ergeht (sofern dies nicht für Zwecke oder als Folge eines Zusammenschlusses, einer Umstrukturierung oder Sanierung geschieht, bei dem bzw bei der die Emittentin noch zahlungsfähig ist und bei dem bzw bei der die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin übernimmt).

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

(i) an diesem Tag kein Obligatorisches Aussetzungsereignis eingetreten ist und fortdauert; und

(ii) am oder nach dem Solvency II-Umsetzungsdatum, an oder vor diesem Tag die Aufsichtsbehörde ihre Genehmigung zu der betreffenden Zahlung erteilt und nicht widerrufen hat, vorausgesetzt, dass eine solche Genehmigung zum betreffenden Zeitpunkt erforderlich ist, damit die Schuldverschreibungen als Tier 1 der Emittentin, der Gruppe der Emittentin und/oder der Gruppe des WST-Versicherungsvereins anerkannt werden oder als Tier 2 der Emittentin, der Gruppe der Emittentin und/oder

der Gruppe des WST-Versicherungsvereins gemäß Anwendbarem Aufsichtsrecht anrechenbar sind.

(5) *Ende des Zinslaufs.*

Der Zinslauf der Schuldverschreibungen endet mit Ablauf des Tages, der dem Tag unmittelbar vorangeht, an dem sie zur Rückzahlung fällig werden. Sollte die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlösen, endet die Verzinsung des ausstehenden Nennbetrages der Schuldverschreibungen nicht am Fälligkeitstag, sondern erst mit Ablauf des Tages, der dem Tag der tatsächlichen Rückzahlung der Schuldverschreibungen vorangeht. Der jeweils geltende Zinssatz wird gemäß § 3 bestimmt. Weitergehende Ansprüche der Anleihegläubiger bleiben unberührt.

§ 4
ZAHLUNGEN

(1)(a) *Zahlungen auf Kapital*. Zahlungen von Kapital auf die Schuldverschreibungen erfolgen nach Maßgabe des nachstehenden Absatzes (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems gegen Vorlage und (außer im Fall von Teilzahlungen) Einreichung der Schuldverschreibungen zum Zeitpunkt der Zahlung verbriefenden Globalurkunde bei der bezeichneten Geschäftsstelle der Zahlstelle außerhalb der Vereinigten Staaten.

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

(2) *Zahlungsweise*. Zu leistende Zahlungen auf die Schuldverschreibungen erfolgen in der frei handelbaren und konvertierbaren Währung, die am entsprechenden Fälligkeitstag die Währung des Staates der festgelegten Währung ist bzw, wenn die festgelegte Währung Euro ist, Österreich.

Sämtliche zu leistenden Zahlungen erfolgen in allen Fällen entsprechend den geltenden steuerlichen und sonstigen Gesetzen, Richtlinien und Verordnungen oder anderen Rechtsnormen, denen die Emittentin oder die Zahlstelle zustimmt, und die Emittentin haftet nicht für Steuern oder Abgaben jeglicher Art, die aufgrund dieser Gesetze, Richtlinien, Verordnungen oder Vereinbarungen einzuheben oder abzuführen sind, all dies jedoch vorbehaltlich des § 7.

(3) *Vereinigte Staaten*. "**Vereinigte Staaten**" bezeichnet die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des "District of Columbia") sowie deren Territorien (einschließlich Puerto Ricos, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und Northern Mariana Islands) und Besitzungen und sonstigen ihrer Jurisdiktion unterliegenden Gebiete.

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

(5) *Zahltag*. Fällt der Fälligkeitstag einer Zahlung in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Zahltag ist, dann hat der Anleihegläubiger keinen Anspruch auf Zahlung vor dem nächstfolgenden Zahltag am jeweiligen Geschäftsort. Der Anleihegläubiger ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen.

Für diese Zwecke bezeichnet "**Zahltag**"

[*falls die Festgelegte Währung nicht Euro ist, gilt Folgendes:* einen Tag (außer einem Samstag oder Sonntag), an dem Geschäftsbanken und Devisenmärkte in **[*sämtliche relevanten Finanzzentren einfügen*]** Zahlungen abwickeln.**]**

[*falls die Festgelegte Währung Euro ist, gilt Folgendes:* einen Tag (außer einem Samstag oder Sonntag), (i) an dem das Clearingsystem und (ii) das Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET) geöffnet sind, um Zahlungen abzuwickeln.**]**

§ 5
RÜCKZAHLUNG

(1) *Keine bestimmte Endfälligkeit*.

Die Schuldverschreibungen sind unbefristet und haben kein bestimmtes Endfälligkeitsdatum.

(2) *Keine Rückzahlung nach Wahl eines Anleihegläubigers*

Die Anleihegläubiger haben kein Recht, die Rückzahlung der Schuldverschreibungen zu verlangen.

(3) *Vorzeitige Rückzahlung bei Vorliegen eines Vorzeitigen Rückzahlungsereignisses.*

Die Emittentin kann, nach vorheriger Benachrichtigung gemäß § 5 (6) und vorbehaltlich der Erfüllung der Rückzahlungsbedingungen am festgelegten Rückzahlungstermin, die Schuldverschreibungen zu deren Rückzahlungsbetrag im Falle eines Vorzeitigen Rückzahlungs-Ereignisses jederzeit (insgesamt und nicht nur teilweise) zurückzahlen oder tilgen.

Vor dem Solvency II-Umsetzungsdatum darf die Emittentin die Schuldverschreibungen vor dem fünften Jahrestag des Ausgabetages der Schuldverschreibungen nur zurückzahlen oder tilgen, wenn dies die Anrechenbarkeit der Schuldverschreibungen als Ergänzungskapital der Emittentin, der Gruppe der Emittentin und/oder der Gruppe des WST-Versicherungsvereins nicht verhindern würde.

Dabei gilt Folgendes:

Ein "**Aufsichtsrechtliches Ereignis**" tritt ein, wenn:

(i) vor dem Solvency II-Umsetzungsdatum, die Aufsichtsbehörde schriftlich oder auf andere Weise gegenüber der Emittentin bestätigt, dass nach dem Anwendbaren Aufsichtsrecht und aufgrund einer am oder nach dem Tag der Begebung der Schuldverschreibungen eingetretenen Änderung des Anwendbaren Aufsichtsrechts die Schuldverschreibungen (ganz oder teilweise) nicht länger als Eigenmittel für Zwecke der Kapitalanforderungen der Emittentin, der Gruppe der Emittentin und/oder der Gruppe des WST-Versicherungsvereins anrechenbar sind, ausgenommen dies resultiert aus einer Überschreitung der Anrechnungsgrenzen für die Einbeziehung der Schuldverschreibungen in Ergänzungskapital oder in Eigenmittel höherer Qualität der Emittentin, der Gruppe der Emittentin und/oder der Gruppe des WST-Versicherungsvereins aufgrund des Anwendbaren Aufsichtsrechts; dies gilt nur, wenn die Schuldverschreibungen diese Anforderungen vor dieser Bestätigung erfüllt hatten; oder

(ii) am oder nach dem Solvency II-Umsetzungsdatum, es gemäß dem Anwendbaren Aufsichtsrecht zulässig ist, Tier 2 als Eigenmittel für Zwecke der Kapitalanforderungen der Emittentin, der Gruppe der Emittentin und/oder der Gruppe des WST-Versicherungsvereins zu verwenden, und die Aufsichtsbehörde schriftlich oder auf andere Weise gegenüber der Emittentin bestätigt, dass:

    (A) nach dem Anwendbaren Aufsichtsrecht die Schuldverschreibungen (ganz oder teilweise) nicht als Tier 2 für Zwecke der Ermittlung der Kapitalanforderungen der Emittentin, der Gruppe der Emittentin und/oder der Gruppe des WST-Versicherungsvereins, anrechenbar sind; oder

    (B) nach dem Anwendbaren Aufsichtsrecht und aufgrund einer Änderung des Anwendbaren Aufsichtsrechts die Schuldverschreibungen (ganz oder teilweise) nicht länger als Tier 2 für Zwecke der Kapitalanforderungen der Emittentin, der Gruppe der Emittentin und/oder der Gruppe des WST-Versicherungsvereins anrechenbar sind, sofern sie am Solvency II-Umsetzungsdatum zunächst als Tier 2 für Zwecke der Ermittlung der Kapitalanforderungen der Emittentin, der

Gruppe der Emittentin und/oder der Gruppe des WST-Versicherungsvereins anrechenbar waren,

ausgenommen wenn dies in beiden Fällen (A) und (B) aus einer Überschreitung der Anrechnungsgrenzen für die Einbeziehung der Schuldverschreibungen in Tier 2 oder Eigenmittel höherer Qualität der Emittentin, der Gruppe der Emittentin und/oder der Gruppe des WST-Versicherungsvereins gemäß dem Anwendbaren Aufsichtsrecht resultiert.

Ein "**Aufzahlungs-Ereignis**" tritt ein, wenn die Emittentin aufgrund einer Gesetzesänderung oder Änderung der Auslegung der Gesetze verpflichtet wurde oder werden wird, zusätzliche Beträge auf die Schuldverschreibungen zu zahlen. Eine solche Kündigung darf nicht früher als 90 Tage vor dem Tag erfolgen, an dem die Emittentin erstmals verpflichtet wäre, die zusätzlichen Beträge auf die Schuldverschreibungen zu zahlen

Ein "**Ratingagenturereignis**" tritt ein, wenn infolge einer Änderung der Rating-Methodologie von Standard & Poor's Credit Market Services Europe Limited, einer Tochtergesellschaft der The McGraw Hill Companies, Inc. ("**S&P**") oder deren Auslegung die Schuldverschreibungen nicht mehr für die gleiche oder eine höhere Kategorie von "equity credit" wie am Ausgabetag der Schuldverschreibungen anrechenbar ist, und S&P dies der Emittentin entweder schriftlich bestätigt oder S&P dies veröffentlicht hat.

Ein "**Rechnungslegungsereignis**" tritt ein, wenn die Emittentin die Verbindlichkeiten aus den Schuldverschreibungen zur Zahlung des Kapitals nicht oder nicht länger als Verbindlichkeiten in der Konzernbilanz ausweisen darf.

Ein "**Steuerereignis**" tritt ein, wenn Zinsen, die von der Emittentin auf die Schuldverschreibungen zu zahlen sind, von der Emittentin nicht mehr für Zwecke der österreichischen Einkommensteuer voll abzugsfähig sind, oder innerhalb von 90 Tagen nach dem Datum des Gutachtens eines anerkannten unabhängigen Steuerberaters, welches für diese Zwecke vorgelegt wird, nicht mehr voll abzugsfähig sein werden.

Ein "**Vorzeitiges Rückzahlungsereignis**" tritt ein,

[*Falls "einer Rückzahlung oder" unten in § 5(5)(b)(iv) nicht enthalten ist, einfügen:* wenn am oder nach dem Ausgabetag der Schuldverschreibungen und vor dem Ersten Kündigungstermin, ein Aufzahlungs-Ereignis, ein Steuerereignis, ein Aufsichtsrechtliches Ereignis, ein Rechnungslegungsereignis oder ein Ratingagenturereignis eintritt.**]**

[*Falls "einer Rückzahlung oder" unten in § 5(5)(b)(iv) enthalten ist, einfügen:* wenn (i) am oder nach dem Ausgabetag der Schuldverschreibungen ein Aufsichtsrechtliches Ereignis eintritt; oder (ii) am oder nach dem fünften Jahrestag des Ausgabetag der Schuldverschreibungen ein Aufzahlungs-Ereignis, ein Steuerereignis, ein Rechnungslegungsereignis oder ein Ratingagenturereignis eintritt.**]**

(4) *Vorzeitige Rückzahlung nach Wahl der Emittentin*.

Die Emittentin ist berechtigt, durch vorherige Erklärung gemäß § 5(6) und vorbehaltlich der Erfüllung der Rückzahlungsbedingungen an dem für die Rückzahlung festgelegten Tag, die Schuldverschreibungen (ganz, aber nicht teilweise) zu deren Rückzahlungsbetrag am Ersten Kündigungstermin sowie an jedem folgenden Zinszahlungstag zurückzuzahlen.

(5) *Rückzahlungsbedingungen*.

Die "**Rückzahlungsbedingungen**" sind an einem Tag in Bezug auf eine vorgesehene Rückzahlung oder einen geplanten Rückkauf der Schuldverschreibungen erfüllt, wenn

(a) vor dem Solvency II-Umsetzungsdatum:

(i) die zurückgezahlten oder zurückgekauften Nennbeträge durch andere zumindest gleiche Eigenmittel mit zumindest gleicher Qualität ersetzt worden sind oder die Aufsichtsbehörde der Rückzahlung oder dem Rückkauf im Vorhinein zugestimmt hat; und

(ii) die Aufsichtsbehörde ihre Genehmigung zur Rückzahlung oder zum Rückkauf der Schuldverschreibungen im Vorhinein gegeben und bis zu diesem Tag nicht zurückgezogen hat; und

(iii) im Zeitpunkt der Rückzahlung keine Beschränkungen der vollständigen Zahlung aufgelaufener Zinsen und/oder von Zinsrückstanden bestehen; oder

(b) am oder nach dem Solvency II-Umsetzungsdatum:

(i) eine Rückzahlung oder ein Rückkauf nicht zu einem Insolvenzereignis führen oder dessen Eintritt beschleunigen würde; und

(ii) kein Solvenzkapital-Ereignis eingetreten ist und fortdauert oder durch die Rückzahlung oder den Rückkauf der Schuldverschreibungen eintreten würde, sofern nicht

(A) die Aufsichtsbehörde ihre vorherige Genehmigung zur Rückzahlung der Schuldverschreibungen und zur Zahlung des Rückzahlungsbetrages oder zum Rückkauf der Schuldverschreibungen trotz des Solvenzkapital-Ereignisses ausnahmsweise erteilt und bis zu diesem Tag nicht widerrufen hat; und

(B) das Kapital durch einen anderen, zumindest gleichwertigen tier 1- oder tier 2-Basiseigenmittelbestandteil mit Genehmigung der Aufsichtsbehörde ersetzt wird; und

(C) die Mindestkapitalanforderung (MCR) (wie auch immer im Anwendbaren Aufsichtsrecht bezeichnet) gemäß dem Anwendbaren Aufsichtsrecht nach der Rückzahlung der Schuldverschreibungen und der Zahlung des Rückzahlungsbetrages oder nach dem Rückkauf der Schuldverschreibungen erfüllt wird; und

(iii) die Aufsichtsbehörde ihre vorherige Genehmigung zur Rückzahlung oder zum Rückkauf der Schuldverschreibungen erteilt und bis zu diesem Tag nicht widerrufen hat; und

(iv) im Falle **[**einer Rückzahlung oder**]** eines Rückkaufs der Schuldverschreibungen vor dem Ersten Kündigungstermin das Kapital durch andere tier 1- oder tier 2-Basiseigenmittel mit zumindest gleicher Qualität ersetzt worden ist (falls eine solche Ersetzung zum betreffenden Zeitpunkt für die Anrechenbarkeit der Schuldverschreibungen als Tier 2 der Emittentin, der Gruppe der Emittentin und/oder der Gruppe des WST-Versicherungsvereins gemäß dem Anwendbaren Aufsichtsrecht erforderlich ist).

Die Emittentin darf jederzeit, durch Bekanntmachung einer Mitteilung an die Anleihegläubiger, auf einzelne oder alle ihrer Rechte zur Rückzahlung der Schuldverschreibungen für den in der Mitteilung angegebenen Zeitraum verzichten. In diesem Fall gelten diese Anleihebedingungen als entsprechend geändert und die Emittentin hat kein Recht zur Rückzahlung der Schuldverschreibungen während des in der Mitteilung angegebenen Zeitraums.

[*Falls "einer Rückzahlung oder" oben in § 5(5)(b)(iv) nicht enthalten ist, einfügen:* Weiters darf die Emittentin jederzeit, durch Veröffentlichung einer Bekanntmachung an die Anleihegläubiger, einzelne oder alle ihre Rechte zur Rückzahlung der Schuldverschreibungen einschränken, sodass die Emittentin nur dann berechtigt ist, die Schuldverschreibungen nach Kündigung während des in der Mitteilung angegebenen Zeitraums zurückzuzahlen, wenn das Kapital durch einen anderen tier 1- oder tier 2-Basiseigenmittelbestandteil mit zumindest gleicher Qualität mit vorheriger Genehmigung der Aufsichtsbehörde ersetzt wurde (sofern eine solche Genehmigung gemäß des Anwendbaren Aufsichtsrechts zum betreffenden Zeitpunkt erforderlich ist).**]**

(6) *Bekanntmachung der vorzeitigen Rückzahlung*.

Die Emittentin wird den Anleihegläubigern eine vorzeitige Rückzahlung gemäß § 5(3) oder § 5(4) gemäß § 11 unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen bekanntgeben.

Die Bekanntmachung der vorzeitigen Rückzahlung hat das konkrete Rückzahlungsdatum sowie die Tatsachen, auf welche sich das Recht der Emittentin zur Rückzahlung der Schuldverschreibungen gründet, zu enthalten.

(7) *Rückzahlungsbetrag*.

"**Rückzahlungsbetrag**" ist ein Betrag je Schuldverschreibung in Höhe des Festgelegten Nennbetrages zuzüglich der bis zum Tag der Rückzahlung (ausschließlich) in Bezug auf diese Schuldverschreibung aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher fälliger Zinsrückstände in Bezug auf diese Schuldverschreibung, und abzüglich etwaiger Nettoverluste gemäß § 5(8).

(8) *Abzug von Nettoverlusten*.

Im Fall einer Rückzahlung der Schuldverschreibungen (i) vor einer Liquidation der Emittentin und (ii) vor dem Solvency II-Umsetzungsdatum, sind Nettoverluste, soweit diese während der Laufzeit der Schuldverschreibungen angefallen sind, anteilig vom Rückzahlungsbetrag gemäß § 73c Abs 2 Z 3 VAG, wie von der Aufsichtsbehörde festgelegt, abzuziehen.

Nettoverluste werden vom Rückzahlungsbetrag nur dann und insoweit abgezogen, als ein solcher Abzug im betreffenden Zeitpunkt erforderlich ist, damit die Schuldverschreibungen als Ergänzungskapital oder als Tier 1 für Zwecke der Ermittlung der Kapitalanforderungen der Emittentin, der Gruppe der Emittentin und/oder der Gruppe des WST-Versicherungsvereins anrechenbar sind.

§ 6
DIE ZAHLSTELLE UND DIE BERECHNUNGSSTELLE

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

Zahlstelle: [Erste Group Bank AG, Graben 21, A-1010 Vienna, Austria**] [*andere einfügen*]**

Berechnungsstelle: [Erste Group Bank AG, Graben 21, A-1010 Vienna, Austria**] [*anderes einfügen*]**

Die Zahlstelle und die Berechnungsstelle behalten sich das Recht vor, jederzeit die bezeichnete Geschäftsstelle durch eine andere bezeichnete Geschäftsstelle in derselben Stadt zu ersetzen.

(2) *Änderung der Bestellung oder Abberufung*. Die Emittentin behält sich das Recht vor, die Bestellung der Zahlstelle oder der Berechnungsstelle zu ändern oder zu beenden und eine andere oder zusätzliche Zahlstellen oder eine andere Berechnungsstelle zu bestellen. Die Emittentin wird jederzeit (i) eine im Europäischen Wirtschaftsraum konzessionierte Zahlstelle mit bezeichneter Geschäftsstelle in einer kontinentaleuropäischen Stadt und (ii) eine Berechnungsstelle unterhalten. Eine Änderung, Abberufung, Bestellung oder ein sonstiger Wechsel wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern die Anleihegläubiger hierüber gemäß § 11 vorab unter Einhaltung einer Frist von mindestens 30 und nicht mehr als 45 Tagen informiert wurden.

(3) *Beauftragte der Emittentin*. Die Zahlstelle und die Berechnungsstelle handeln ausschließlich als Beauftragte der Emittentin und übernehmen keinerlei Verpflichtungen gegenüber den Anleihegläubigern; es wird kein Auftrags- oder Treuhandverhältnis zwischen ihnen und den Anleihegläubigern begründet.

§ 7
STEUERN

(1) *Steuern*. Alle in Bezug auf die Schuldverschreibungen zu zahlenden Beträge (Kapital,

Zinsen und zusätzliche Beträge) sind ohne Einbehalt an der Quelle oder Abzug an der Quelle von irgendwelchen gegenwärtigen oder zukünftigen Steuern, Gebühren oder Abgaben gleich welcher Art, die von oder in der Republik Österreich oder irgendeiner ihrer Gebietskörperschaften oder Behörden mit Steuerhoheit erhoben werden ("**Quellensteuer**"), zu zahlen, es sei denn, die Quellensteuer ist kraft Gesetzes oder einer sonstigen Rechtsvorschrift abzuziehen oder einzubehalten und an die zuständigen Behörden abzuführen. In diesem Fall trägt die Emittentin vorbehaltlich des Absatzes (2) diejenigen zusätzlichen Beträge, die erforderlich sind, dass die von jedem Anleihegläubiger zu empfangenden Nettobeträge nach einem solchen Abzug oder Einbehalt von Quellensteuer den Beträgen entsprechen, die der Anleihegläubiger ohne einen solchen Abzug oder Einbehalt von Quellensteuer erhalten hätte.

(2) *Keine zusätzlichen Beträge*. Die Emittentin ist jedoch zur Zahlung zusätzlicher Beträge wegen solcher Steuern, Gebühren oder Abgaben nicht verpflichtet:

(a) denen der Anleihegläubiger aus irgendeinem anderen Grund als der bloßen Tatsache unterliegt, dass er Anleihegläubiger ist und zwar insbesondere, wenn der Anleihegläubiger aufgrund einer persönlichen unbeschränkten oder beschränkten Steuerpflicht derartigen Quellensteuern unterliegt; oder

(b) die auf andere Weise als durch Einbehalt an der Quelle oder Abzug an der Quelle aus Zahlungen von Kapital oder etwaigen Zinsen zu entrichten sind; oder

(c) die aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (ii) einer zwischenstaatlichen Vereinbarung, eines zwischenstaatlichen Abkommens oder einer zwischenstaatlichen Verständigung über deren Besteuerung, an der die Republik Österreich oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung, Vereinbarung, Abkommen oder Verständigung umsetzt oder befolgt, abzuziehen oder einzubehalten sind.

§ 8
VERJÄHRUNG

[Ansprüche auf Zahlung aus fälligen Zinsen verjähren nach 3 Jahren ab Fälligkeit; Ansprüche aus fälligen Tilgungszahlungen verjähren nach 30 Jahren ab Fälligkeit.**]**

[Ansprüche auf Zahlung aus fälligen Zinsen verjähren nach 3 Jahren ab Fälligkeit; Ansprüche aus fälligen Tilgungszahlungen verjähren nach 10 Jahren ab Fälligkeit.**]**

§ 9
SCHULDNERERSETZUNG

(1) *Schuldnerersetzung*. Die Emittentin ist jederzeit berechtigt, ohne Zustimmung der Anleihegläubiger eine andere Gesellschaft, die als Emittentin unter diesem Programm ernannt wurde, als Emittentin (die "**Neue Emittentin**") hinsichtlich aller Verpflichtungen aus oder in Verbindung mit den Schuldverschreibungen an die Stelle der Emittentin zu setzen, sofern:

(a) die Neue Emittentin alle Verpflichtungen der Emittentin aus oder in Verbindung mit den Schuldverschreibungen übernimmt und, sofern eine Zustellung an die Neue Emittentin außerhalb der Republik Österreich erfolgen müsste, einen Zustellungsbevollmächtigten in der Republik Österreich bestellt; und

(b) die Emittentin und die Neue Emittentin alle etwa notwendigen Ermächtigungen und Genehmigungen für die Schuldnerersetzung und die Erfüllung der Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen von den zuständigen Behörden erhalten haben; und

(c) die Neue Emittentin in der Lage ist, sämtliche zur Erfüllung der aufgrund der Schuldverschreibungen bestehenden Zahlungsverpflichtungen erforderlichen Beträge in der Festgelegten Währung an das Clearing System zu zahlen, und zwar ohne Abzug oder Einbehalt von Steuern oder sonstigen Abgaben jedweder Art, die von dem Land (oder den Ländern), in dem (in denen) die Neue Emittentin ihren Sitz oder Steuersitz hat, auferlegt, erhoben oder eingezogen werden; und

(d) die Emittentin unwiderruflich die Verpflichtungen der Neuen Emittentin aus den Schuldverschreibungen zu Bedingungen garantiert, die sicherstellen, dass jeder Anleihegläubiger wirtschaftlich mindestens so gestellt wird, wie er ohne die Schuldnerersetzung stehen würde; und

(e) die Aufsichtsbehörde die Schuldnerersetzung genehmigt hat; und

(f) die Rückzahlungsbedingungen, die für die Schuldnerersetzung entsprechende Anwendung finden, zum Zeitpunkt der Schuldnerersetzung erfüllt sind.

(2) *Bezugnahmen*. Im Falle einer solchen Schuldnerersetzung gilt jede in diesen Anleihebedingungen enthaltene Bezugnahme auf die Emittentin fortan als auf die Neue Emittentin bezogen.

Klarstellend sei erwähnt, dass dies nur gilt, soweit sich nicht aus Sinn und Zweck der jeweiligen Bedingung ergibt, dass die Bezugnahme entweder weiterhin nur auf die Emittentin erfolgen soll (also insbesondere im Hinblick auf die anwendbaren Kapitalanforderungen der Emittentin, der Gruppe der Emittentin und/oder der Gruppe des WST-Versicherungsvereins, das Insolvenzereignis, das Obligatorische Zinszahlungsereignis, das Rechnungslegungsereignis, das Ratingagenturereignis), oder dass die Bezugnahme auf die Neue Emittentin und gleichzeitig auch auf die Emittentin im Hinblick auf deren Verpflichtungen aus der Garantie gemäß § 9(1)(d), erfolgen soll (Aufzahlungs-Ereignis, Steuerereignis und Besteuerung).

Im Fall einer Schuldnerersetzung gilt jede Bezugnahme auf die Republik Österreich in § 7 als eine solche auf den Staat, in welchem die Neue Emittentin steuerlich ansässig ist.

(3) *Mitteilung*. Eine Schuldnerersetzung gemäß § 9(1) ist für die Anleihegläubiger bindend und ist ihnen gemäß § 11 mit einer Frist von mindestens **[**15**]** **[*alternative Mitteilungsperiode einfügen*]** Geschäftstagen vor Inkrafttreten der Schuldnerersetzung mitzuteilen.

§ 10
RÜCKKAUF UND ENTWERTUNG

Sofern die Rückzahlungsbedingungen erfüllt sind, sind die Emittentin und jeder ihrer Tochtergesellschaften berechtigt, Schuldverschreibungen im Markt oder auf andere Weise zurückzukaufen. Zurückgekaufte oder auf andere Weise von der Emittentin oder einer Tochtergesellschaft erworbene Schuldverschreibungen werden eingezogen.

Sofern ein Rückkauf von Schuldverschreibungen durch die Emittentin und ihre Konzern- und Beteiligungsgesellschaften der Genehmigung durch die Aufsichtsbehörde bedarf, damit die Schuldverschreibungen weiterhin als Ergänzungskapital, Tier 1 und/oder Tier 2 anrechenbar sind, werden die Emittentin und ihre Konzern- und Beteiligungsgesellschaften einen Rückkauf nur mit Genehmigung der Aufsichtsbehörde vornehmen. Dies gilt jedoch nicht für Rückkäufe, soweit Konzern- und Beteiligungsgesellschaften der Emittentin die Schuldverschreibungen für fremde Rechnung oder für Sondervermögen im Sinne des Investmentfondsgesetzes 2011 (InvFG 2011) erwerben, es sei denn, die Anteile an diesen Sondervermögen werden mehrheitlich von der Emittentin oder einer ihrer Konzern- oder Beteiligungsgesellschaften gehalten. **[**Weiters gilt dies jedoch nicht **[*weitere Ausnahmen einfügen*].]**

§ 11
MITTEILUNGEN

[*Im Fall von Schuldverschreibungen, die an einer Börse notiert sind, einfügen:*

(1) *Bekanntmachung*.

[*Sofern eine Mitteilung durch Publikation in einer führenden Tageszeitung möglich ist, einfügen*: Alle die Schuldverschreibungen betreffenden Mitteilungen sind in einer führenden Tageszeitung mit allgemeiner Verbreitung in **[**Österreich**] [*anderen Ort einfügen*]**, voraussichtlich **[**Amtsblatt zur Wiener Zeitung**] [*andere Zeitung mit allgemeiner Verbreitung einfügen*]** in deutscher oder englischer Sprache zu veröffentlichen **[*Sofern zusätzlich eine Mitteilung durch elektronische Publikation auf der Website der betreffenden Börse(n) erfolgt:, einfügen:*** und werden über die Website der **[*betreffende Börse einfügen*]** unter **[*Website der Börse einfügen*]** veröffentlicht**]**. **[**Jede derartige Mitteilung gilt mit dem Tag der Veröffentlichung (oder bei mehreren Veröffentlichungen mit dem Tag der ersten solchen Veröffentlichung) als wirksam erfolgt.**]]**

[*Sofern eine Mitteilung durch Elektronische Publikation auf der Website der betreffenden Börse (wenn überhaupt) möglich ist, einfügen:* Alle die Schuldverschreibungen betreffenden Mitteilungen können auch durch elektronische Publikation auf der Website der **[*betreffende Börse einfügen*]** (http://www. **[*Internetadresse einfügen*]**). **[**Jede derartige Mitteilung gilt mit dem Tag der Veröffentlichung (oder bei mehreren Veröffentlichungen mit dem Tag der ersten solchen Veröffentlichung) als wirksam erfolgt.**]]**

[(2)**]** *Mitteilung an das Clearing System*.

[*Im Fall von Schuldverschreibungen, die nicht notiert sind, einfügen:* Die Emittentin wird alle die Schuldverschreibungen betreffenden Mitteilungen an das Clearing System zur Weiterleitung an die Anleihegläubiger übermitteln. Jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearing System als den Anleihegläubigern mitgeteilt.**]**

[*Im Fall von Schuldverschreibungen, die an einer Börse notiert sind, einfügen:* Die Emittentin ist berechtigt, eine Veröffentlichung nach Absatz 1 durch eine Mitteilung an das Clearing System zur Weiterleitung an die Anleihegläubiger zu ersetzen, vorausgesetzt, dass die Regeln der Börse, an der die Schuldverschreibungen notiert sind, diese Form der Mitteilung zulassen. Jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearing System als den Anleihegläubigern mitgeteilt.**]**

§ 12
ANWENDBARES RECHT, ERFÜLLUNGSORT, GERICHTSSTAND UND GERICHTLICHEGELTENDMACHUNG

(1) *Anwendbares Recht*. Die Schuldverschreibungen alle sich daraus ergebenden Rechte und Pflichten bestimmen sich nach österreichischem Recht, exklusive seiner Kollisionsnormen.

(2) *Gerichtsstand*. Nicht-ausschließlicher Gerichtsstand für alle sich aus den in diesen Anleihebedingungen geregelten Rechtsverhältnissen ergebenden Rechtsstreitigkeiten mit der Emittentin ist Wien, erster Gemeindebezirk.

(3) *Gerichtliche Geltendmachung*. Jeder Anleihegläubiger ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Anleihegläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage geltend zu machen: (i) er bringt eine Bescheinigung der Depotbank bei, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Anleihegläubigers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem Clearing System eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält; oder (ii) er legt eine Kopie der die betreffenden Schuldverschreibungen verbriefenden Globalurkunde vor, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person des Clearing System

oder des Verwahrers des Clearing System bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre. Für Zwecke des Vorstehenden bezeichnet "**Depotbank**" jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Wertpapierverwahrungsgeschäft zu betreiben und bei der/dem der Anleihegläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearing Systems. Unbeschadet des Vorstehenden kann jeder Anleihegläubiger seine Rechte aus den Schuldverschreibungen auch auf jede andere Weise schützen oder geltend machen, die im Land, in dem der Rechtsstreit eingeleitet wird, prozessual zulässig ist.

[(4) *Kraftloserklärung*. Die österreichischen Gerichte sind ausschließlich zuständig für die Kraftloserklärung abhanden gekommener oder vernichteter Globalurkunden.**]**

§ 13
TEILUNWIRKSAMKEIT

[Sollte eine der vorstehenden Bestimmungen dieser Anleihebedingungen unwirksam oder undurchführbar sein oder werden, so bleibt die Wirksamkeit und die Durchführbarkeit der übrigen Bestimmungen hiervon unberührt. Anstelle der unwirksamen oder undurchführbaren Bestimmung soll eine, soweit rechtlich möglich, dem Sinn und Zweck dieser Anleihebedingungen zum Zeitpunkt der Begebung der Schuldverschreibungen entsprechende Regelung gelten. Unter Umständen, unter denen sich diese Anleihebedingungen als unvollständig erweisen, soll eine ergänzende Auslegung, die dem Sinn und Zweck dieser Anleihebedingungen entspricht, unter angemessener Berücksichtigung der berechtigten Interessen der beteiligten Parteien erfolgen.**]**

[*absichtlich frei gelassen*]

§ 14
SPRACHE

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

OPTION I: Subordinated Undated Notes

The English translation of the Terms and Conditions relating to the Notes does not form part of the Prospectus itself and has not been approved by the FMA. Further, the FMA did not review its consistency with the original Terms and Conditions.

§ 1
CURRENCY, DENOMINATION, FORM, TITLE, CERTAIN DEFINITIONS

(1) *Currency, Denomination.* VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe issues these notes (the "**Notes**") in **[*insert specified currency*]** (the "**Specified Currency**") in the aggregate principal amount of **[*insert aggregate principal amount*]** (in words: **[*insert aggregate principal amount in words*]**) (the "**Principal Amount**") and in a denomination of **[*insert Specified Denomination*]** (the "**Specified Denomination**").

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

(3) *Global Note*.

The Notes are initially represented by a temporary global note (the "**Temporary Global Note**") without coupons. The Temporary Global Note will be exchanged for a permanent global note (the "**Permanent Global Note**") without coupons on a date not earlier than 40 days and not later than 180 days after the date of issue of the Temporary Global Note. The Temporary Global Note and the Permanent Global Note (each a "**Global Note**") shall each be signed manually or in facsimile by two authorised signatories of the Issuer and shall each be authenticated by or on behalf of the Paying Agent. Definitive Notes and interest coupons will not be issued.

Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person (other than certain financial institutions or certain persons holding Notes through such financial institutions).

Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest.

Any such certification received on or after the 40th day after the date of issue of the Temporary Global Notes will be treated as a request to exchange such Temporary Global Note for the Permanent Global Note. Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in § 4(3)).

(4) *Clearing System.* Each Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer under the Notes have been satisfied. "**Clearing System**" means **[*if more than one Clearing System, insert:*** each of**]** the following: **[**Clearstream Banking AG, Frankfurt am Main ("**CBF**")**]** **[**Clearstream Banking, société anonyme, Luxembourg ("**CBL**")**]** **[**Euroclear Bank SA/NV ("**Euroclear**")**]** **[**CBL and Euroclear each an "**ICSD**" and together the "**ICSDs**"**]** **[**Oesterreichische Kontrollbank Aktiengesellschaft ("**OeKB**")**]** **[**,**]** **[**and**]** **[*specify other Clearing System*]** or any successor in respect of the functions performed by **[*if more than one Clearing System, insert:*** each of the Clearing Systems**]** **[*if one Clearing System, insert:*** the Clearing System**]**.

(5) *Noteholders.* "**Noteholder**" means any holder of a joint ownership share or similar right in the Global Note.

(6) *Title.*

a) A Noteholder will (except as otherwise required by applicable laws or regulatory requirements) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof) and no person shall be liable for so treating such Noteholder.

b) The transfer of title to Notes is effected by agreement on the transfer among the relevant parties and by delivery or otherwise in accordance with any applicable laws and regulations including the rules of any relevant Clearing System. References herein to "Noteholders" of Notes are to the bearers of such Notes.

(7) *Business Day*. In these Terms and Conditions, "**Business Day**" means a day which is a day (other than a Saturday or a Sunday) on which both (i) the Clearing System, and (ii) **[*if the Specified Currency is Euro insert:*** TARGET (as defined below) **[**and commercial banks and foreign exchange markets in **[*insert all relevant financial centres*]] [*if the Specified Currency is not Euro insert:*** commercial banks and foreign exchange markets in **[*insert all relevant financial centres*]]** settle payments.

[*If TARGET is applicable, insert:* "**TARGET**" means the Trans-European Automated Real-time Gross settlement Express Transfer payment system 2 or any successor system thereto.**]**

§ 2
STATUS

(1) *Status of the Notes*.

The Notes are intended to constitute (i) prior to the Solvency II Implementation Date, Supplementary Capital, and (ii) upon or after the Solvency II Implementation Date, Tier 1 or, if not recognized as Tier 1, Tier 2.

The obligations of the Issuer under the Notes constitute direct, unsecured and subordinated obligations of the Issuer which rank:

(a) junior to all present or future unsubordinated instruments or obligations of the Issuer;

(b) *pari passu* among themselves, and at least *pari passu* with all other present or future unsecured instruments or obligations of the Issuer which rank, or are expressed to rank junior to all unsubordinated obligations or instruments of the Issuer (the "**Parity Instruments**"); and

(c) senior to all present or future instruments or obligations of the Issuer which rank, or are expressed to rank, junior to the obligations of the Issuer under the Notes, including obligations in relation to, participation capital (*Partizipationskapital*) pursuant to § 73c (1) of the Austrian Insurance Supervision Act as well as share capital of any class and any other tier 1 own-fund item pursuant to Applicable Supervisory Law of the Issuer (all such obligations and shares, the "**Junior Instruments**").

In the event of the dissolution, liquidation, insolvency or any proceeding to avoid insolvency of the Issuer, payments will not be made under the Notes until all claims against the Issuer which pursuant to this § 2(1) are expressed to, or by operation of law, rank senior to the obligations of the Issuer under the Notes will first have been satisfied or secured in full.

The Noteholders declare that no insolvency proceedings against the Issuer are required to be opened in relation to the obligations of the Issuer under the Notes. The Notes do not contribute to a determination that the liabilities of the Issuer exceed its assets; therefore the obligations of the Issuer under the Notes, if any, will not contribute to the determination of over-indebtedness (*Überschuldung*) in accordance with § 67(3) of the Austrian Insolvency Act (*Insolvenzordnung - IO*).

Where:

"**Applicable Supervisory Law**" means (i) the provisions of Austrian insurance regulatory law, including (but not limited to) the Austrian Insurance Supervision Act; (ii) Solvency II, after the Solvency II Implementation Date; (iii) any regulations, standards, guidelines, rulings, decisions or other rules as well as generally recognised administrative practices of the Supervisory Authority;

and/or (iv) any standards or guidelines of the European Insurance and Occupational Pensions Authority (*EIOPA*) or any such successor authority, in each case, regarding capital requirement purposes of the Issuer, the Issuer's group and/or the group of Wiener Städtische Wechselseitiger Versicherungsverein – Vermögensverwaltung – Vienna Insurance Group (the "**WST-Versicherungsverein**") and as amended from time to time.

"**Austrian Insurance Supervision Act**" means the Austrian Insurance Supervision Act (*Versicherungsaufsichtsgesetz - VAG*), as amended from time to time.

"**Solvency II**" means the rules under (i) Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) (recast); (ii) any other respective legislative acts of the European Union, including (but not limited to) the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II); and/or (iii) Austrian law implementing the same, including (but not limited to) the Austrian Insurance Supervision Act 2016 (*Versicherungsaufsichtsgesetz 2016 – VAG 2016*), in each case, as amended from time to time.

"**Solvency II Implementation Date**" means the date on which Solvency II becomes part of the Applicable Supervisory Law, but not before 1 January 2016, or any later date, in case of a postponement of Solvency II.

"**Supervisory Authority**" means the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde - FMA*) or any successor authority responsible to supervise the Issuer, the Issuer's group and/or the group of WST-Versicherungsverein pursuant to the Applicable Supervisory Law.

"**Supplementary Capital**" means supplementary capital (*Ergänzungskapital*) pursuant to § 73c (2) of the Austrian Insurance Supervision Act, eligible as own funds (*Eigenmittel*).

"**Tier 1**" means own-fund items recognised as tier 1 own-fund items under the transitional provisions of Solvency II.

"**Tier 2**" means own-fund items eligible as tier 2 own-funds pursuant to Solvency II.

(2) *No right to set-off*.

The Noteholders may not set off any claims arising under the Notes against any claims that the Issuer may have against each of them. The Issuer may not set off any claims it may have against any Noteholder against any of its obligations under the Notes. **[**This provision shall not affect **[*insert exempted claims*].]**

§ 3
INTEREST

(1) *Fixed Interest Period*.

(a) *Fixed rate of interest and Fixed Interest Payment Dates.* The Notes bear interest on their Specified Denomination from and including **[*insert Interest Commencement Date*]** (the "**Interest Commencement Date**") to but excluding **[*insert First Call Date*]** (the "**First Call Date**") at the rate of **[*insert rate of interest*]**% per annum.

During such period, interest is scheduled to be paid in arrear on each Fixed Interest Payment Date and will be due and payable (*fällig*) in accordance with the conditions set out in § 3(3) and § 3(4).

"**Fixed Interest Payment Date**" means **[*insert Fixed Interest Payment Date(s)*]** in each year, commencing on **[*insert first Fixed Interest Payment Date*].**

[*If the first Fixed Interest Payment Date is not first anniversary of Interest Commencement Date, the following applies:* The first payment of interest will amount to **[*insert initial Broken Interest Amount per Specified Denomination*]** per Specified

Denomination.**]**

(b) *Day Count Fraction.* If interest is required to be calculated for any Fixed Rate Interest Period or part thereof, such interest shall be calculated on the basis of the Fixed Rate Day Count Fraction.

"**Fixed Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last day of such period) (the "**Calculation Period**"):

[*If "Actual / Actual (ICMA)" applies, the following applies*:

(i) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Periods normally ending in any year; and

(ii) if the Calculation Period is longer than one Determination Period, the sum of:

(A) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(B) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year.

Where:

"**Determination Date**" means each **[*insert Determination Date(s)*]**.

"**Determination Period**" means each period from and including a Determination Date in any year to but excluding the next Determination Date.**]**

[*If "Actual / Actual (ISDA)" applies, the following applies:* the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period not falling in a leap year divided by 365).**]**

[*If "Actual / 365 (Fixed)" applies, the following applies:* the actual number of days in the Calculation Period divided by 365.**]**

[*If "Actual / 360" applies, the following applies:* the actual number of days in the Calculation Period divided by 360.**]**

[*If "30 / 360" or "360 / 360" or Bond Basis applies, the following applies:* the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, unless (A) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (B) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).**]**

[*If "30E / 360" or "Eurobond Basis" applies, the following applies:* the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period).**]**

(2) *Floating Rate Interest Period*.

(a) Floating Interest Payment Dates.

(i) The Notes bear interest on their Specified Denomination at the rate *per annum* equal to the Floating Rate of Interest (as defined below) from and including the First Call Date to (but excluding) the first Floating Interest Payment Date (as defined below) and thereafter from (and including) each Floating Interest Payment Date to (but excluding) the next following Floating Interest Payment Date. During such period, interest is scheduled to be paid quarterly in arrears on each Floating Interest Payment Date, and will be due and payable (*fällig*) in accordance with the conditions set out in § 3(3) and § 3(4). The amount of interest to be paid shall be determined in accordance with § 3(2)(c).

(ii) "**Floating Interest Payment Date**" means, subject to the Business Day Convention,

[*In the case of Specified Interest Payment Dates insert:* [*insert Floating Specified Interest Payment Dates*] in each year.**]**

[*In the case of Specified Interest Periods insert*: each date which falls **[*insert number*] [**weeks**] [**months**]** after the preceding Floating Interest Payment Date or, in the case of the first Floating Interest Payment Date, after the First Call Date.**]**

(iii) "**Business Day Convention**" has the following meaning: If any Interest Payment Date would otherwise fall on a day which is not a Business Day, the Interest Payment Date shall be

[*in the case of Modified Following Business Day Convention (adjusted), the following applies:* postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day.**]**

[*in the case of FRN Convention (adjusted), the following applies:* postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (i) the Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment.**]**

[*in the case of Following Business Day Convention (adjusted), the following applies:* postponed to the next day which is a Business Day.**]**

[*in the case of Preceding Business Day Convention (adjusted), the following applies:* the immediately preceding Business Day.**]**

[*If the Reference Rate is EURIBOR the following applies:*

(b) *Floating Rate of Interest.* The "**Floating Rate of Interest**" for each Floating Interest Period (as defined below) will be the Reference Rate (as defined below) plus the Margin (as defined below).

(i) The "**Reference Rate**" for each Floating Interest Period will, except as provided below, be:

(A) if there is only one offered quotation on the Screen Page (as defined below), the offered quotation; or

(B) if there is more than one offered quotation on the Screen Page, the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of such offered quotations,

(expressed as a percentage rate *per annum*) for deposits in Euro for that Floating Interest Period which appears or appear, as the case may be, on the Screen Page as of 11.00 a.m. (Brussels time) on the relevant Interest Determination Date (as defined below), all as determined by the Calculation Agent.

(ii) If the Screen Page is not available or if no such quotation appears as at such time, the Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency for the relevant Floating Interest Period and in a Representative Amount (as defined below) to prime banks in the Euro-Zone interbank market at approximately 11:00 a.m. (Brussels time) on the relevant Interest Determination Date. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Reference Rate for such Floating Interest Period shall be the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of such offered quotations, all as determined by the Calculation Agent.

(iii) If on the relevant Interest Determination Day only one or none of the selected Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Reference Rate for the relevant Floating Interest Period shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by major banks in the Euro-Zone interbank market, selected by the Calculation Agent acting in good faith, at which such banks offer, as at 11:00 a.m. (Brussels time) on the relevant Interest Determination Day, loans in the Specified Currency for the relevant Floating Interest Period and in a Representative Amount to leading European banks.

If the Reference Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Reference Rate shall be the offered quotation or the arithmetic mean of the offered quotations on the Screen Page, as described above, on the last day preceding the Interest Determination Date on which such quotations were offered.

Where:

"**Euro-Zone**" means the region comprised of those member states of the European Union that have adopted, or will have adopted from time to time, the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 07 February 1992) and the Amsterdam Treaty of 02 October 1997, as further amended from time to time.

"**Floating Interest Period**" means each period from and including the First Call Date to but excluding the first Floating Interest Payment Date and each successive period from and including a Floating Interest Payment Date to but excluding the following Floating Interest Payment Date.

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

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

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

"**Margin**" means **[*insert number*]**% *per annum*.

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

"**Reference Banks**" means in the case of § 3(2)(b)(i)(A) above, those offices of four of such banks whose offered rates were used to determine such quotation when such quotation last appeared on the Screen Page and, in the case of § 3(2)(b)(i)(B) above, those banks whose offered quotations last appeared on the Screen Page when no fewer than three such offered quotations last appeared.

"**Screen Page**" means Reuters screen page EURIBOR01 or such other screen page of Reuters or such other information service which is the successor to Reuters screen page EURIBOR01.

"**TARGET Business Day**" means a day on which the Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET) is operating.**]**

[*If the Reference Rate is LIBOR, the following applies:*

(b) *Floating Rate of Interest*. The "**Floating Rate of Interest**" for each Floating Interest Period (as defined below) will be the Reference Rate (as defined below) plus the Margin (as defined below).

(i) The "**Reference Rate**" for each Floating Interest Period will, except as provided below, be:

(A) if there is only one offered quotation on the Screen Page (as defined below), the offered quotation; or

(B) if there is more than one offered quotation on the Screen Page, the arithmetic mean (rounded if necessary to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards) of such offered quotations,

(expressed as a percentage rate *per annum*) for deposits in the Specified Currency for that Floating Interest Period which appears or appear, as the case may be, on the Screen Page as of 11.00 a.m. (London time) on the relevant Interest Determination Date (as defined below) plus the Margin (as defined below), all as determined by the Calculation Agent.

(ii) If the Screen Page is not available or if no such quotation appears as at such time, the Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency for the relevant Floating Interest Period and in a Representative Amount (as defined below) to prime banks in the London interbank market at approximately 11:00 a.m. (London time) on the relevant Interest Determination Date. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Reference Rate for such Floating Interest Period shall be the arithmetic mean (rounded if necessary to the nearest one hundred thousandth of a percentage point, with 0.000005 being rounded upwards) of such offered quotations, all as determined by the Calculation Agent.

(iii) If on the relevant Interest Determination Day only one or none of the selected Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Reference Rate for the relevant Floating Interest Period shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards) of the rates, as communicated to and at the request of the Calculation Agent by major banks in the London interbank market, selected by the Calculation Agent acting in good faith, at which such banks offer, as at 11:00 a.m. (London time) on the relevant Interest Determination Date, loans in the Specified Currency for the relevant Floating Interest Period and in a Representative Amount to leading European banks.

If the Reference Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Reference Rate shall be the offered quotation or the arithmetic mean of the offered quotations on the Screen Page, as described above, on the last day preceding the Interest Determination Date on which such quotations were offered.

Where:

"**Floating Interest Period**" means each period from and including the First Call Date to but excluding the first Floating Interest Payment Date and each successive period from and including a Floating Interest Payment Date to but excluding the following Floating Interest Payment Date.

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

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

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

"**London Business Day**" means a day which is a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency) in London.

"**Margin**" means **[*insert number*]**% *per annum*.

"**Reference Banks**" means in the case of § 3(2)(b)(i)(A) above, those offices of four of such banks whose offered rates were used to determine such quotation when such quotation last appeared on the Screen Page and, in the case of § 3(2)(b)(i)(B) above, those banks whose offered quotations last appeared on the Screen Page when no fewer than three such offered quotations last appeared.

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

"**Screen Page**" means Reuters screen page LIBOR01 or such other screen page of Reuters or such other information service which is the successor to Reuters screen page LIBOR01.**]**

(c) *Floating Interest Amount*. The Calculation Agent will, on or as soon as practicable after each date at which the Floating Rate of Interest is to be determined, calculate the amount of interest (the "**Interest Amount**") scheduled to be paid on the Notes in respect of each Specified Denomination for the relevant Floating Interest Period. Each Floating Interest Amount shall be calculated by applying the Floating Rate of Interest and the Floating Day Count Fraction (as defined below) to each Specified Denomination and rounding the resulting figure **[*if the Specified Currency is Euro insert:*** to the nearest 0.01 Euro, 0.005 Euro being rounded upwards.**] [*if the Specified Currency is not Euro insert:*** to the nearest minimum unit of the Specified Currency, with 0.5 of such unit being rounded upwards.**]**

"**Floating Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any Calculation Period:

[*If "Actual / Actual (ISDA)" applies, the following applies:* the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period not falling in a leap year divided by 365).**]**

[*If "Actual / 365 (Fixed)" applies, the following applies:* the actual number of days in the Calculation Period divided by 365.**]**

[*If "Actual / 360" applies, the following applies:* the actual number of days in the Calculation Period divided by 360.**]**

[*If "30 / 360" or "360 / 360" or Bond Basis applies, the following applies:* the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (A) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (B) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).**]**

[If "30E / 360" or "Eurobond Basis" applies, the following applies: the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period).**]**

[*If the Reference Rate is EURIBOR, the following applies:*

(d) *Notifications.* The Calculation Agent will cause the Floating Rate of Interest, each Floating Interest Amount for each Floating Interest Period, each Floating Interest Period and the relevant Floating Interest Payment Date to be notified to the Issuer and to the Noteholders by notice in accordance with § 11 as soon as possible after their determination, but in no event later than the TARGET-Business Day thereafter and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange, as soon as possible after their determination, but in no event later than the first day of the relevant Floating Interest Period. Each Floating Interest Amount and Floating Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Floating Interest Period. Any such amendment will be promptly notified to any stock exchange on which the Notes are then listed and to the Noteholders in accordance with § 11.**]**

[*If the Reference Rate is LIBOR, the following applies:*

(d) *Notifications*. The Calculation Agent will cause the Floating Rate of Interest, each Floating Interest Amount for each Floating Interest Period, each Floating Interest Period and the relevant Floating Interest Payment Date to be notified to the Issuer and to the Noteholders by notice in accordance with § 11 as soon as possible after their determination, but in no event later than the London Business Day thereafter and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange, as soon as possible after their determination, but in no event later than the first day of the relevant Floating Interest Period. Each Floating Interest Amount and Floating Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Floating Interest Period. Any such amendment will be promptly notified to any stock exchange on which the Notes are then listed and to the Noteholders in accordance with § 11.**]**

(e) *Determinations Binding*. All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 3(2) by the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Paying Agent and the Noteholders.

(3) *Due date for interest payments, optional and compulsory deferral of interest payments*.

(a) Interest which accrues during an Interest Period ending on but excluding a Compulsory Interest Payment Date (as defined below) will be due and payable (*fällig*) on such Compulsory Interest Payment Date.

(b) Interest which accrues during an Interest Period ending on but excluding an Optional Interest Payment Date (as defined below) will be due and payable (*fällig*) on that Optional Interest Payment Date, unless the Issuer elects, by giving not less than 10 and not more than 15 Business Days' notice to the Noteholders prior to the relevant Interest Payment Date in accordance with § 11, to defer the relevant payment of interest.

If the Issuer elects to defer, in whole or in part, accrued interest on an Optional Interest Payment Date, then it will not have any obligation to pay accrued interest on such Optional Interest Payment Date or will only be obliged to pay such part of the accrued interest it elects not to defer, respectively. Any such non-payment will not constitute a default of the Issuer or any other breach of its obligations under the Notes or for any other purpose.

(c) If a Mandatory Suspension Event has occurred with respect to any Interest Payment Date, interest which accrued during the period ending on but excluding such Interest Payment Date will not be due and payable (*fällig*) on that Interest Payment Date. The Issuer will give notice to the Noteholders of the occurrence of the Mandatory Suspension Event in accordance with § 11 as soon as possible after its determination but in no event later than on the fourth Business Day following the relevant Interest Payment Date. Any such non-payment will not constitute a default of the Issuer or any other breach of its obligations under the Notes or for any other purpose.

(d) Accrued interest in respect of an Interest Period not due and payable in accordance with this § 3(3) will constitute arrears of interest ("**Arrears of Interest**").

Noteholders will not receive any interest or other compensation in case of an optional deferral of interest payments. In particular, Arrears of Interest will not bear interest.

Where:

"**Applicable Insolvency Law**" means the provisions of the relevant insolvency laws, including (but not limited to) the Austrian the Austrian Insolvency Code (*Insolvenzordnung* - *IO*), and any rules and regulations thereunder (including any applicable decision of a court) applicable to the Issuer, as amended from time to time.

An "**Insolvency Event**" will have occurred in respect of a payment of interest, Arrears of Interest or principal on the Notes or a repurchase of the Notes, if the Issuer would become insolvent in accordance with the Applicable Insolvency Law as a result thereof.

"**Compulsory Interest Payment Date**" means any Interest Payment Date in respect of which a Compulsory Interest Payment Event occurred during twelve months before the relevant Interest Payment Date, and in respect of which no Mandatory Suspension Event has occurred and is continuing.

A "**Mandatory Suspension Event**" will have occurred with respect to the date on which any payment of interest and/or Arrears of Interest is scheduled to be paid under these Terms and Conditions, if:

(a) such payment would result in, or accelerate, the occurrence of an Insolvency Event; or

(b) the Supervisory Authority has prohibited the Issuer from making payments under the Notes; or

(c) a Solvency Capital Event either has occurred on or prior to such date and is continuing on such date or would be caused by such payment by the Issuer of interest and/or Arrears of Interest on the relevant date, unless:

    (i) on or prior to such date, the Supervisory Authority has exceptionally given, and not withdrawn by such date, its prior approval to the payment of the relevant interest and/or Arrears of Interest despite the Solvency Capital Event; and

    (ii) the payment of the relevant interest and/or Arrears of Interest on the Notes does not further weaken the solvency position of the Issuer, the Issuer's group and/or the WST-Versicherungsverein’s group; and

    (iii) the applicable minimum capital requirement (MCR) (howsoever described in the Applicable Supervisory Law) pursuant to the Applicable Supervisory Law is complied with after the payment of the relevant interest and/or Arrears of Interest is made; or

(d) prior to the Solvency II Implementation Date, and to the extent required for the Notes to be eligible as Supplementary Capital of the Issuer, the Issuer's group and/ or the WST-Versicherungsverein’s group, such a payment is not covered by the annual profit (*Jahresüberschuss*) of the Issuer calculated pursuant to § 73c (2)(2) of the Austrian Insurance Supervision Act (annual profit under commercial law prior to net changes of reserves) as shown in the most recent audited (*geprüft*) and determined (*festgestellt*) unconsolidated financial statements of the Issuer pursuant to the accounting principles generally accepted in the Republic of Austria as described in applicable Austrian law.

"**Compulsory Interest Payment Event**" means any of the following events:

(i) the most recent ordinary general meeting of shareholders (*ordentliche Hauptversammlung*) of the Issuer has validly resolved on any dividend, other distribution or payment in respect of any Junior Instruments or Parity Instruments; or

(ii) any payment on account of the balance sheet profit has been made by the Issuer since the most recent ordinary general meeting of shareholders of the Issuer; or

(iii) the Issuer, directly or indirectly through any of its subsidiaries, has repurchased for cash shares of any class (with the exception of repurchases in connection with stock option or stock ownership programmes for management or employees of the Issuer or affiliates of the Issuer made in the ordinary course of business).

"**Optional Interest Payment Date**" means each Interest Payment Date in respect of which no Compulsory Interest Payment Event occurred during the twelve months before the relevant Interest Payment Date, and in respect of which no Mandatory Suspension Event has occurred and is continuing.

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

(i) prior to the Solvency II Implementation Date, the Issuer, the Issuer's group and/or the WST-Versicherungsverein's group do not have sufficient own funds to cover the required minimum solvency margin in accordance with Applicable Supervisory Law; and

(ii) upon or after the Solvency II Implementation Date, if the own funds (howsoever described in the Applicable Supervisory Law) of the Issuer, the Issuer's group and/or the WST-Versicherungsverein's group are not sufficient to cover the solvency capital requirement (SCR) or the minimum capital requirement (MCR) or any other applicable capital requirements (in each case, howsoever described in the Applicable Supervisory Law), whichever occurs earlier, pursuant to the Applicable Supervisory Law, and if a deferral of interest or a non-payment of Arrears of Interest or a non-repayment of principal or non-repurchase is required, respectively, pursuant to the Applicable Supervisory Law for the Notes to be recognized as Tier 1 of the Issuer, the Issuer's group and/or the WST-Versicherungsverein's group or to be eligible as Tier 2 of the Issuer, the Issuer's group and/or the WST-Versicherungsverein's group.

(4) *Payment of Arrears of Interest*.

(a) *Optional payment of Arrears of Interest*.

The Issuer will be entitled to pay outstanding Arrears of Interest (in whole or in part) at any time if the Conditions to Settlement (as defined below) are fulfilled with respect to such payment.

If the Issuer elects to pay outstanding Arrears of Interest (in whole or in part), it will give not less than 10 and not more than 15 Business Days' notice to the Noteholders in accordance with § 11 which notice will specify (i) the amount of Arrears of Interest to be paid and (ii) the date fixed for such payment (the "**Optional Settlement Date**").

Upon such notice being given, the amount of Arrears of Interest specified therein will become due and payable (*fällig*), and the Issuer will be obliged to pay such amount of Arrears of Interest on the Optional Settlement Date if on such date the Conditions to Settlement (as defined below) are fulfilled with respect to the relevant payment.

(b) *Compulsory payment of Arrears of Interest*.

Subject to § 3(4)(c) below, the Issuer must pay outstanding Arrears of Interest (in whole but not in part) on the next Compulsory Settlement Date (as defined below).

(c) If on an Optional Settlement Date or a Compulsory Settlement Date, the Conditions to Settlement, to the extent required, are not fulfilled, Arrears of Interest scheduled to be paid on such date will not become due and payable (fällig) on the relevant Optional Settlement Date or Compulsory Settlement Date, as the case may be. The Issuer will give notice to the

Noteholders regarding the non-fulfilment of the Conditions to Settlement in accordance with § 11 as soon as possible after its determination but in no event later than on the fourth Business Day following the relevant Optional Settlement Date or Compulsory Settlement Date. Any such non-payment will not constitute a default of the Issuer or any other breach of its obligations under the Notes or for any other purpose.

Where:

"**Compulsory Settlement Date**" means the earlier of:

(i) the next Interest Payment Date following the date on which a Compulsory Interest Payment Event occurred, and in respect of which the Conditions to Settlement are fulfilled;

(ii) the date on which the Notes fall due for redemption; or

(iii) the date on which an order is made for the winding up, dissolution or liquidation of the Issuer (other than for the purposes of or pursuant to an amalgamation, reorganization or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer).

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

(i) on such day no Mandatory Suspension Event has occurred and is continuing; and

(ii) upon or after the Solvency II Implementation Date, on or prior to such day the Supervisory Authority has given, and not withdrawn, its approval to the relevant payment, provided under the Applicable Supervisory Law such approval is required at the time in order for the Notes to be recognized as Tier 1 of the Issuer, the Issuer's group and/or the WST-Versicherungsverein's group or to be eligible as Tier 2 of the Issuer, the Issuer's group and/or the WST-Versicherungsverein's group.

(5) *End of interest accrual.*

The Notes will cease to bear interest from the end of the day immediately preceding the due date for redemption. If the Issuer fails to redeem the Notes when due, interest shall continue to accrue on the outstanding principal amount of the Notes beyond the due date until the end of the day preceding the day of the actual redemption of the Notes. The applicable rate of interest will be determined in accordance with § 3. This does not affect any additional rights that might be available to the Noteholders.

§ 4
PAYMENTS

(1)(a) *Payment of Principal*. Payment of principal in respect of the Notes shall be made, subject to paragraph (2) below, to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System upon presentation and (except in the case of partial payment) surrender of the Global Note representing the Notes at the time of payment at the specified office of the Paying Agent outside the United States.

(b) *Payment of Interest*. Payment of interest on Notes shall be made, subject to paragraph (2) below, to the Clearing System or to its order for credit to the relevant accountholders of the Clearing System.

(2) *Manner of Payment.* Payments of amounts due in respect of the Notes shall be made in the freely negotiable and convertible currency which on the respective due date is the currency of the country of the Specified Currency or, if the Specified Currency is Euro, Austria.

All payments will be subject in all cases to any applicable fiscal and other laws, directives and regulations or other laws to which the Issuer or the Paying Agent, as the case may be, agree to be subject, and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, directives, regulations or agreements, but without prejudice to the provisions of § 7.

(3) *United States.* "**United States**" means the United States of America (including the States thereof and the District of Columbia) and its territories (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands) and possessions and other areas subject to its jurisdiction.

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

(5) *Payment Business Day.* If the due date for payment of any amount in respect of any Note is not a Payment Business Day then the Noteholder shall not be entitled to payment until the next such day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

For these purposes, "**Payment Business Day**" means a day which is

[*if the Specified Currency is not Euro, the following applies:* a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in **[*insert all relevant financial centres*]**.**]**

[*if the Specified Currency is Euro, the following applies:* a day (other than a Saturday or a Sunday) on which both (i) the Clearing System, and the Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET) are open to effect payments.**]**

§ 5
REDEMPTION

(1) *No Scheduled Maturity*.

The Notes are perpetual and have no scheduled maturity date.

(2) *No Redemption at the Option of a* Noteholder*.*

The Noteholders do not have a right to demand the redemption of the Notes.

(3) *Early Redemption upon Early Redemption Events*.

The Issuer may, upon prior notice in accordance with § 5(6) and subject to the Conditions to Redemption being fulfilled on the date fixed for redemption, repay or redeem the Notes (in whole, but not in part) at their Redemption Amount at any time in case of an Early Redemption Event.

However, prior to the Solvency II Implementation Date, the Issuer may repay or redeem the Notes before the fifth anniversary of the Issue Date only, if this would not prevent the Notes to be eligible as Supplementary Capital of the Issuer, the Issuer's group and/or the WST-Versicherungsverein's group.

Where:

An "**Accounting Event**" occurs, if the Issuer must not or must no longer record the obligations under the Notes for the payment of principal as liabilities on the consolidated balance sheet.

An "**Early Redemption Event**" occurs,

[*if "a redemption or" is not included in § 5(5)(b)(iv) below, insert:* if, on or after the Issue Date and prior to the First Call Date, a Gross-up Event, a Tax Event, a Regulatory Event, an Accounting Event or a Rating Agency Event occurs.**]**

[*if "a redemption or" is included in § 5(5)(b)(iv) below, insert:* if: (i) on or after the Issue Date, a Regulatory Event occurs; or (ii) on or after the fifth anniversary date of the Issue Date, a Gross-up Event, a Tax Event, an Accounting Event or a Rating Agency Event occurs.**]**

A "**Gross-up Event**" occurs if the Issuer has or will become obliged to pay additional amounts on the Notes as a result of any change in law or interpretation. No such call notice may be given earlier than 90 days prior to the earliest date on which the Issuer would be for the first time obliged to pay the additional amounts on the Notes.

A "**Rating Agency Event**" occurs, if as a consequence of a change in the rating methodology of

Standard & Poor's Credit Market Services Europe Limited, a subsidiary of The McGraw Hill Companies, Inc. ("**S&P**") or its interpretation the Notes would no longer be eligible for the same or a higher category of "equity credit" attributed to the Notes at their Issue Date as confirmed in writing by S&P to the Issuer or as published by S&P.

A "**Regulatory Event**" occurs, if:

(i) prior to the Solvency II Implementation Date, the Supervisory Authority states in writing or otherwise confirms to the Issuer that under Applicable Supervisory Law and due to a change in such Applicable Supervisory Law that has occurred upon or after the Issue Date, the Notes (in whole or in part) are no longer eligible as own funds for capital requirement purposes of the Issuer, the Issuer's group and/or the WST-Versicherungsverein's group, except where this results from exceeding any applicable limits for including the Notes in Supplementary Capital or own funds of higher quality of the Issuer, the Issuer's group and/or the WST-Versicherungsverein's group pursuant to the Applicable Supervisory Law; this applies only if after the date of issue, but prior to such statement the Notes did fulfil such requirements; or

(ii) upon or after the Solvency II Implementation Date, it is permitted under the Applicable Supervisory Law to use Tier 2 as own funds for capital requirement purposes of the Issuer, the Issuer's group and/or the WST-Versicherungsverein's group, and the Supervisory Authority or the Issuer' statutory auditor states in writing or otherwise confirms to the Issuer that:

    (A) under the Applicable Supervisory Law the Notes (in whole or in part) would not be eligible as Tier 2 for capital requirement purposes of the Issuer, the Issuer's group and/or the WST-Versicherungsverein's group; or

    (B) under the Applicable Supervisory Law and due to a change in such Applicable Supervisory Law, the Notes (in whole or in part) would no longer be eligible as Tier 2 for capital requirement purposes of the Issuer, the Issuer's group and/or the WST-Versicherungsverein's group, provided that upon the Solvency II Implementation Date, the Notes have been eligible as Tier 2 for capital requirement purposes of the Issuer, the Issuer's group and/or the WST-Versicherungsverein's group,

    except where in each case (A) and (B) this results from exceeding any applicable limits for including the Notes in Tier 2 or own funds of higher quality of the Issuer, the Issuer's group and/or the WST-Versicherungsverein's group pursuant to the Applicable Supervisory Law.

A "**Tax Event**" occurs if interest payable by the Issuer in respect of the Notes is no longer, or within 90 days after the date of the opinion of a recognised independent tax counsel to be delivered in this respect will no longer be, fully deductible by the Issuer for Austrian income tax purposes.

(4) *Early Redemption at the Option of the Issuer.*

The Issuer may, upon prior notice in accordance with § 5(6) and subject to the Conditions to Redemption being fulfilled on the date fixed for redemption, redeem the Notes (in whole, but not in part) at their Redemption Amount on the First Call Date and on each following Interest Payment Date.

(5) *Conditions to Redemption.*

The "**Conditions to Redemption**" are fulfilled on any day with respect to a scheduled redemption or a planned repurchase of the Notes, if:

(a) prior to the Solvency II Implementation Date:

    (i) the redeemed or repurchased principal amounts have been replaced by other at least equivalent own funds of at least equal quality or if the Supervisory Authority has given its prior approval to the redemption or the repurchase; and

    (ii) the Supervisory Authority has given, and not withdrawn by such day, its prior approval to redeem or repurchase the Notes; and

(iii) no limitations on payment in full of any unpaid accrued interest and/or Arrears of Interest exist at the time of the redemption; or

(b) upon or after the Solvency II Implementation Date:

(i) a redemption payment or a repurchase would not result in, or accelerate, the occurrence of an Insolvency Event; and

(ii) no Solvency Capital Event has occurred and is continuing or would be caused by the redemption or the repurchase of the Notes, unless:

(A) the Supervisory Authority has exceptionally given, and not withdrawn by such date, its prior approval to the redemption of the Notes and the payment of the Redemption Amount or to the repurchase of the Notes despite the Solvency Capital Event; and

(B) the capital is replaced by another tier 1 or tier 2 basic own-fund item of at least the same quality with the approval of the Supervisory Authority; and

(C) the minimum capital requirement (MCR) (howsoever described in the Applicable Supervisory Law) pursuant to the Applicable Supervisory Law is complied with after the redemption of the Notes and the payment of the Redemption Amount or the repurchase of the Notes is made; and

(iii) the Supervisory Authority has given, and not withdrawn by such day, its prior approval to redeem or repurchase the Notes; and

(iv) in the event of **[**a redemption or**]** a repurchase of the Notes prior to the First Call Date, the capital has been replaced by another tier 1 or tier 2 basic own-fund item of at least the same quality (if such replacement is required at that time for the Notes to be eligible as Tier 2 of the Issuer, the Issuer's group and/or the WST-Versicherungsverein group under the Applicable Supervisory Law).

At any time the Issuer may, by publishing a notice to the Noteholders, waive any, some or all of its rights to call the Notes for redemption for the period of time as specified in the notice. In this case, these Terms and Conditions shall be deemed to be amended accordingly and the Issuer will not be entitled to call the Notes for redemption during the period of time as specified in such notice.

[*If "a redemption or" is not included in § 5(5)(b)(iv) above, insert:* Furthermore, the Issuer may at any time, by publishing a notice to the Noteholders, restrict any, some or all of its rights to call the Notes for redemption such that the Issuer will only be entitled to so redeem the Notes following a call for redemption during the period of time as specified in such notice if the capital has been replaced by another tier 1 or tier 2 basic own-fund item of at least the same quality with the prior approval of the Supervisory Authority (if such approval is required pursuant to the Applicable Supervisory Law at the time).**]**

(6) *Notification of Early Redemption*.

The Issuer will give not less than 30 nor more than 60 days' notice to the Noteholders in accordance with § 11 of any early redemption pursuant to § 5(3) or § 5(4).

The notice of early redemption must state the specified redemption date and the facts which establish the right of the Issuer to redeem the Notes.

(7) *Redemption Amount.*

"**Redemption Amount**" means an amount per Note equal to the Specified Denomination plus any interest accrued on such Note to but excluding the date of redemption but yet unpaid and, for the avoidance of doubt, any Arrears of Interest due on such Note and minus any net losses pursuant to § 5(8).

(8) *Deduction of Net Losses.*

In case of a redemption of the Notes prior to (i) a liquidation of the Issuer, and (ii) the Solvency II Implementation Date, to the extent the Issuer has incurred net losses (*Nettoverluste*) over the term of the Notes, such net losses shall be deducted from the Redemption Amount on a pro-rata basis pursuant to § 73c (2)(3) of the Austrian Insurance Supervision Act, as determined by the Supervisory Authority.

Such net losses shall be deducted from the Redemption Amount only if and to the extent such deduction is required at that time for the Notes to be eligible as Supplementary Capital or for the Notes being recognized as Tier 1 for purposes of calculating the own funds of the Issuer, the Issuer's group and/or the WST-Versicherungsverein's group.

§ 6
PAYING AGENT AND CALCULATION AGENT

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

Paying Agent: **[**Erste Group Bank AG, Graben 21, A-1010 Vienna, Austria**] [*insert other*]**.

Calculation Agent: [Erste Group Bank AG, Graben 21, A-1010 Vienna, Austria**] [*insert other*]**.

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

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

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

§ 7
TAXATION

(1) *Taxation.* All amounts payable (whether in respect of principal, interest or otherwise) in respect of the Notes will be made free and clear of and without withholding at source or deduction at source for or on account of any present or future taxes, fees, duties, assessments or governmental charges of whatever nature which are imposed or levied by or on behalf of the Republic of Austria or any political subdivision thereof or any authority or agency therein or thereof having power to tax ("**Withholding Tax**") (*Quellensteuer*), unless Withholding Tax is to be deducted or withheld by law or other regulations and to be paid to the responsible authorities. In such event, the Issuer will pay such additional amounts as may be necessary, subject to paragraph (2) below, in order that the net amounts receivable by the Noteholder after the withholding or deduction of such Withholding Tax shall equal the respective amounts which would have been received by such Noteholder had no such Withholding Tax been required.

(2) *No Additional Amounts.* However, the Issuer shall not be obliged to pay any additional amounts on account of any such taxes, fees, duties, assessments or governmental charges:

(a) which the Noteholder is subject to for any reason other than the mere fact of being a Noteholder, including if the Noteholder is subject to such Withholding Tax based on a personal unlimited or limited tax liability; or

(b) which are to be paid on payments of principal and interest, if any, by any means other than withholding at source or deduction at source; or

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

§ 8
STATUTE OF LIMITATIONS

[The limitation period shall be three years in respect of interest due and 30 years in respect of principal due.**]** **[**The limitation period shall be three years in respect of interest due and ten years in respect of principal due.**]**

§ 9
SUBSTITUTION

(1) *Substitution.* The Issuer shall be entitled at any time without the consent of the Noteholders to be substituted as Issuer by any other company appointed as Issuer under this Programme (the "**New Issuer**") in respect of all obligations arising from or in connection with the Notes, if:

(a) the New Issuer assumes all obligations of the Issuer arising from or in connection with the Notes and, if service of process vis-à-vis the New Issuer would have to be effected outside the Republic of Austria, appoints a process agent within the Republic of Austria; and

(b) the Issuer and the New Issuer have obtained any authorisations and approvals from the competent authorities necessary for the substitution and the fulfilment of the obligations arising under or in connection with the Notes; and

(c) the New Issuer is in the position to pay to the Clearing System in the Specified Currency and without deducting or withholding any taxes or other duties of whatever nature imposed, levied or deducted by the country (or countries) in which the New Issuer has its domicile or tax residence all amounts required for the performance of the payment obligations arising from or in connection with the Notes; and

(d) the Issuer irrevocably guarantees such obligations of the New Issuer under the Notes on terms which ensure that each Noteholder will be put in an economic position that is at least as favourable as that which would have existed if the substitution had not taken place; and

(e) the Supervisory Authority has given its prior approval thereto; and

(f) the Conditions to Redemption, which shall apply mutatis mutandis to the substitution, are fulfilled at the time of the substitution.

(2) *Change of References.* In the event of such substitution, any reference in these Terms and Conditions of the Notes to the Issuer shall from then on be deemed to refer to the New Issuer.

For the avoidance of doubt this shall apply only to the extent that the meaning and purpose of the relevant condition requires that the relevant reference shall continue to be a reference only to the Issuer (i.e. in particular in relation to the capital requirements applicable to the Issuer,the Issuers' group and/or the group of WST-Versicherungsverein, the Insolvency Event, the Compulsory Interest Payment Event, the Accounting Event, the Rating Agency Event, or that the reference shall be to the New Issuer and the Issuer, in relation to its obligations under the guarantee pursuant to § 9(1)(d), at the same time (Gross-up Event, Tax Event and Taxation)).

In the event of a substitution any reference to the Republic of Austria in § 7 shall be a reference to the New Issuer's country of domicile for tax purposes.

(3) *Notice.* Any substitution effected in accordance with subparagraph 1 of this § 9 shall be binding on the Noteholders and shall be notified to them in accordance with § 11 not less than **[**15**]** **[*if alternative notice period insert*]** Business Days before such substitution comes into effect.

§ 10
PURCHASES AND CANCELLATION

Subject to the Conditions to Redemption being fulfilled the Issuer and any of its subsidiaries may purchase Notes in the market or otherwise. Notes purchased or otherwise acquired by the Issuer or any of the subsidiaries will be cancelled.

Insofar as a repurchase of Notes by the Issuer and its group and affiliated companies requires the approval of the Supervisory Authority in order to ensure the further application of the Notes as Supplementary Capital, Tier 1 and/or Tier 2, the Issuer and its group and affiliated companies shall effect any purchase only with the approval of the Supervisory Authority. This shall not apply to any purchase by group and affiliated companies of the Issuer acquiring the Notes for the account of a third party or for funds in the meaning of the Austrian Investment Funds Act 2011 (*Investmentfondsgesetz 2011 – InvFG 2011*), unless the majority of the shares in the relevant fund are held by the Issuer or one of its group or affiliated companies. **[**Furthermore, this shall not apply to **[*insert further exemptions*].]**

§ 11
NOTICES

[*In the case of Notes which are listed on a Stock Exchange, insert:*

(1) *Publication.*

[*If notices may be given by means of a leading daily newspaper, insert:* All notices concerning the Notes will be published in a leading daily newspaper having general circulation in **[**Austria**] [*specify other location*]**. This newspaper is expected to be the **[***Amtsblatt zur Wiener Zeitung***] [*insert other applicable newspaper having general circulation*]** in the German or English language **[*If notices may be given additionally by means of electronic publication on the website of the relevant stock exchange(s), insert:* [**and will be published on the website of **[*insert relevant stock exchange*]** under **[*insert website of the stock exchange*]. [**Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the date of the first such publication).**]]**

[*If notices may be given exclusively by means of electronic publication on the website of the relevant stock exchange (if any), insert:* All notices concerning the Notes can also be made by means of electronic publication on the website of the **[*insert relevant stock exchange*]** (http://www.**[*insert internet address*]**). **[**Any notice so given will be deemed to have been validly given on the day of such publication (or, if published more than once, on the first day of such publication).**]]**

[(2)**]** *Notification to Clearing System.*

[*In the case of Notes which are unlisted, insert:* The Issuer shall deliver all notices concerning the Notes to the Clearing System for communication by the Clearing System to the Noteholders. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which said notice was given to the Clearing System.**]**

[*In the case of Notes which are listed on a Stock Exchange, insert:* The Issuer may, in lieu of publication set forth in subparagraph (1) above, deliver the relevant notice to the Clearing System, for communication by the Clearing System to the Noteholders, provided that the rules of the stock exchange on which Notes are listed permit such form of notice. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which said notice was given to the Clearing System.**]**

§ 12
APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT

(1) *Applicable Law.* The Notes and all the rights and duties arising therefrom shall be governed by Austrian law, with the exception of its conflict of law rules.

(2) *Submission to Jurisdiction.* Non-exclusive court of venue for all litigation with the Issuer

arising from the legal relations established in these Terms and Conditions is Vienna, first district.

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

[(4) *Annulment.* The Austrian courts shall have exclusive jurisdiction over the annulment of lost or destroyed Global Notes.**]**

§ 13
PARTIAL INVALIDITY

[Should any of the provisions contained in these Terms and Conditions of the Notes be or become invalid or unenforceable, the validity or enforceability of the remaining provisions shall not in any way be affected or impaired thereby. In this case, the invalid or unenforceable provision shall be deemed to be replaced by a provision which to the extent legally possible provides for an interpretation in keeping with the meaning and the economic purpose of these Terms and Conditions of the Notes at the time of the issue of the Notes. Under circumstances in which these Terms and Conditions of the Notes prove to be incomplete, a supplementary interpretation in accordance with the meaning and the purpose of these Terms and Conditions of the Notes under due consideration of the legitimate interests of the parties involved shall be applied.**]**

[*intentionally left blank*]

§ 14
LANGUAGE

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

OPTION II: Nachrangige Befristete Schuldverschreibungen

(GERMAN LANGUAGE VERSION)

§ 1
WÄHRUNG, STÜCKELUNG, FORM, EIGENTUM, DEFINITIONEN

(1) *Währung, Stückelung*. Die VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe begibt diese Schuldverschreibungen (die "**Schuldverschreibungen**") in **[*festgelegte Währung einfügen*]** (die "**festgelegte Währung**") im Gesamtnennbetrag von **[*Gesamtnennbetrag einfügen*]** (in Worten: **[*Gesamtnennbetrag in Worten einfügen*]**) (der "**Gesamtnennbetrag**") und in einer Stückelung von **[*festgelegte Stückelung einfügen*]** (die "**festgelegten Stückelung**").

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

(3) *Globalurkunde*.

Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die "**Vorläufige Globalurkunde**") ohne Zinsscheine verbrieft. Die vorläufige Globalurkunde wird an einem Tag, der frühestens 40 Tage spätestens 180 Tage nach dem Tag der Ausgabe der vorläufigen Globalurkunde liegt, gegen eine Dauerglobalurkunde (die "**Dauerglobalurkunde**") ohne Zinsscheine ausgetauscht. Die vorläufige Globalurkunde und die Dauerglobalurkunde (jeweils eine "**Globalurkunde**") tragen jeweils die eigenhändigen oder faksimilierten Unterschriften zweier ordnungsgemäß bevollmächtigter Vertreter der Emittentin und sind jeweils von der Zahlstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.

Ein solcher Austausch wird nur nach Vorlage von Bescheinigungen erfolgen, wonach der oder die wirtschaftlichen Eigentümer der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S.-Personen sind (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten).

Zinszahlungen auf durch eine vorläufige Globalurkunde verbriefte Schuldverschreibungen erfolgen erst nach Vorlage solcher Bescheinigungen. Eine gesonderte Bescheinigung ist hinsichtlich einer jeden solchen Zinszahlung erforderlich.

Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Tag der Ausgabe der vorläufigen Globalurkunde eingeht, wird als ein Ersuchen behandelt werden, die Vorläufige Globalurkunde gegen die Permanente Globalurkunde auszutauschen. Wertpapiere, die im Austausch für die Vorläufige Globalurkunde geliefert werden, sind nur außerhalb der Vereinigten Staaten (wie in § 4(3) definiert) zu liefern.

(4) *Clearing System*. Jede Globalurkunde wird solange von einem oder im Namen eines Clearing Systems verwahrt, bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind. "**Clearing System**" bedeutet **[*Bei mehr als einem Clearing System einfügen:* **jeweils**]** Folgendes: **[**Clearstream Banking AG, Frankfurt am Main ("**CBF**")**]** **[**Clearstream Banking, société anonyme, Luxembourg ("**CBL**")**]** **[**Euroclear Bank SA/NV ("**Euroclear**")**]** **[**CBL und Euroclear jeweils ein "**ICSD**" und zusammen die "**ICSDs**"**]** **[**Oesterreichische Kontrollbank Aktiengesellschaft ("**OeKB**")**]** **[**,**]** **[**und**]** **[*anderes Clearing System angeben*]** oder jeder Funktionsnachfolger hinsichtlich der von **[*bei einem Clearing System einfügen:*** dem Clearing System**]** **[*bei mehr als einem Clearing System einfügen:*** den Clearing Systemen**]** erfüllten Aufgaben.

(5) *Inhaber von Schuldverschreibungen*. "**Anleihegläubiger**" bezeichnet jeden Inhaber eines Miteigentumsanteils oder vergleichbaren Rechts an den Schuldverschreibungen.

(6) *Eigentum*.

(a) Der Anleihegläubiger gilt (soweit nicht zwingende Gesetzes- oder

Verwaltungsbestimmungen entgegenstehen) in jeder Hinsicht als Alleineigentümer (ob fällig oder nicht fällig, und unabhängig von irgendwelchen Mitteilungen bezüglich des Eigentums, möglichen Treuhandschaften oder anderen Ansprüchen hieran oder hieraus, etwaigen Vermerken auf der Urkunde oder einem Diebstahl oder Verlust) und niemand kann dafür verantwortlich gemacht werden, dass er den Anleihegläubiger als Alleineigentümer angesehen hat.

(b) Die Übertragung des Eigentums an Schuldverschreibungen geschieht durch Einigung der beteiligten Parteien über den Eigentumsübergang und durch die Übergabe oder auf andere Weise in Übereinstimmung mit den jeweils anzuwendenden Gesetzen und Vorschriften einschließlich der Regeln beteiligter Clearing Systeme. Bezugnahmen in diesen Anleihebedingungen auf "Anleihegläubiger" sind Bezugnahmen auf die Inhaber von Schuldverschreibungen.

(7) *Geschäftstag*. In diesen Anleihebedingungen bezeichnet "**Geschäftstag**" einen Tag (außer einem Samstag oder Sonntag), an dem (i) das Clearing System und (ii) **[*Falls die festgelegte Währung Euro ist, einfügen:*** TARGET (wie nachstehend definiert) **[**und Geschäftsbanken und Devisenmärkte in **[*sämtliche relevante Finanzzentren einfügen*]]]** **[*Falls die festgelegte Währung nicht Euro ist, einfügen***: Geschäftsbanken und Devisenmärkte in **[*sämtliche relevanten Finanzzentren einfügen*]]** Zahlungen abwickeln.

[*Falls TARGET anwendbar ist, einfügen:* "**TARGET**" bedeutet das Trans-European Automated Real-time Gross settlement Express Transfer-Zahlungssystem 2 oder jedes Nachfolgesystem.**]**

§ 2
STATUS

(1) *Status der Schuldverschreibungen.*

Die Schuldverschreibungen sollen am oder nach dem Solvency II-Umsetzungsdatum Tier 2 begründen.

Die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen begründen direkte, nicht besicherte und nachrangige Verbindlichkeiten der Emittentin, die:

(a) nachrangig gegenüber allen gegenwärtigen oder zukünftigen nicht-nachrangigen Instrumenten oder Verbindlichkeiten der Emittentin sind;

(b) gleichrangig untereinander und zumindest gleichrangig mit allen anderen gegenwärtigen oder zukünftigen nicht besicherten Instrumenten oder Verbindlichkeiten der Emittentin sind, die nachrangig zu allen nicht-nachrangigen Verbindlichkeiten oder Instrumenten der Emittentin (einschließlich Ergänzungskapital gemäß § 73c Abs 2 VAG) sind oder als nachrangig zu diesen bezeichnet werden, (die "**Gleichrangigen Instrumente**"); und

(c) vorrangig gegenüber allen gegenwärtigen oder zukünftigen Instrumenten oder Verbindlichkeiten der Emittentin sind, die nachrangig zu den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen sind oder als nachrangig zu diesen bezeichnet werden, einschließlich gegenüber Verbindlichkeiten in Bezug auf Partizipationskapital gemäß § 73c Abs 1 VAG sowie Aktienkapital jeder Gattung und jedem anderen tier 1-Eigenmittel gemäß Anwendbarem Aufsichtsrecht der Emittentin (alle diese Verbindlichkeiten und Aktien, die "**Nachrangigen Instrumente**").

Im Fall der Auflösung, Liquidation, Insolvenz oder eines sonstigen Verfahrens zur Abwendung der Insolvenz der Emittentin werden Zahlungen auf die Schuldverschreibungen solange nicht geleistet, bis alle Ansprüche gegen die Emittentin aus Verbindlichkeiten, die den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen nach Maßgabe dieses § 2(1) oder kraft Gesetzes im Rang vorgehen, vollständig befriedigt oder sichergestellt sind.

Die Anleihegläubiger erklären, dass keine Insolvenzverfahren gegen die Emittentin in Bezug auf Verbindlichkeiten der Emittentin aus den Schuldverschreibungen eröffnet werden müssen.

Die Schuldverschreibungen werden bei der Prüfung, ob die Verbindlichkeiten der Emittentin ihre Vermögenswerte übersteigen, nicht berücksichtigt; die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen werden daher auch nicht bei der Prüfung, ob eine Überschuldung gemäß § 67 Abs 3 der österreichischen Insolvenzordnung (IO) vorliegt, berücksichtigt.

Dabei gilt Folgendes:

"**Anwendbares Aufsichtsrecht**" bezeichnet (i) die Bestimmungen des österreichischen Versicherungsaufsichtsrechts, einschließlich des österreichischen Versicherungsaufsichtsgesetzes; (ii) Solvency II nach dem Solvency II-Umsetzungsdatum; (iii) alle Verordnungen, Standards, Vorgaben, Bescheide, Entscheidungen oder andere Regeln sowie allgemein anerkannte Verwaltungspraktiken der Aufsichtsbehörde; und/oder (iv) alle Standards oder Vorgaben der Europäischen Aufsichtsbehörde für das Versicherungswesen und die betriebliche Altersversorgung (*European Insurance and Occupational Pensions Authority* – EIOPA) oder jeder Nachfolgebehörde, jeweils betreffend Kapitalanforderungen der Emittentin, der Gruppe der Emittentin und/oder der Gruppe von Wiener Städtische Wechselseitiger Versicherungsverein – Vermögensverwaltung – Vienna Insurance Group (der "**WST-Versicherungsverein**"), jeweils in der jeweils geltenden Fassung.

"**Aufsichtsbehörde**" bezeichnet die österreichische Finanzmarktsaufsichtsbehörde (FMA) oder jede Nachfolgebehörde, die für die Aufsicht der Emittentin, der Gruppe der Emittentin und/oder der Gruppe des WST-Versicherungsvereins gemäß Anwendbarem Aufsichtsrecht zuständig ist.

"**Solvency II**" bezeichnet die Regeln gemäß (i) der Richtlinie 2009/138/EG des Europäischen Parlaments und des Rates vom 25. November 2009 betreffend die Aufnahme und Ausübung der Versicherungs- und der Rückversicherungstätigkeit (Solvabilität II) (Neufassung); (ii) alle weiteren Rechtsakte der Europäischen Union, einschließlich (aber nicht eingeschränkt auf) der Delegierten Verordnung (EU) 2015/35 der Kommission vom 10. Oktober 2014 zur Ergänzung der Richtlinie 2009/138/EG des Europäischen Parlaments und des Rates betreffend die Aufnahme und Ausübung der Versicherungs- und der Rückversicherungstätigkeit (Solvabilität II); und/oder (iii) die vorstehenden Rechtsakte umsetzendes österreichisches Recht, einschließlich (aber nicht eingeschränkt auf) des österreichischen Versicherungsaufsichtsgesetzes 2016 (VAG 2016*)*, jeweils in der jeweils geltenden Fassung.

"**Solvency II-Umsetzungsdatum**" bezeichnet das Datum, an dem Solvency II Teil des Anwendbaren Aufsichtsrechts wird, aber nicht vor dem 1.1.2016, oder ein späteres Datum im Falle einer Verschiebung von Solvency II.

"**Tier 2**" bezeichnet *tier 2*-Bestandteile gemäß Solvency II, die als Eigenmittel anrechenbar sind.

"**VAG**" bezeichnet das österreichische Versicherungsaufsichtsgesetz in der jeweils geltenden Fassung.

(2) *Aufrechnungsverbot*.

Die Anleihegläubiger sind nicht berechtigt, Forderungen aus den Schuldverschreibungen mit Forderungen der Emittentin gegen sie aufzurechnen und die Emittentin ist nicht berechtigt, Forderungen gegenüber den Anleihegläubigern mit den Verbindlichkeiten aus den Schuldverschreibungen aufzurechnen. **[**Diese Bestimmung berührt jedoch nicht **[*ausgenommene Ansprüche einfügen*]]**

§ 3
ZINSEN

(1) *Festzinsperiode.*

(a) *Festzinssatz und Festzinszahlungstage.* Die Schuldverschreibungen werden bezogen auf ihre festgelegte Stückelung ab dem **[*Verzinsungsbeginn einfügen*]** (der "**Verzinsungsbeginn**") (einschließlich) bis zum **[*Ersten Kündigungstermin einfügen*]** (der "**Erste Kündigungstermin**") (ausschließlich) mit jährlich **[*Zinssatz einfügen*]** % verzinst.

Während dieses Zeitraums sind Zinsen nachträglich an jedem Festzinszahlungstag zur Zahlung vorgesehen, und werden nach Maßgabe der in § 3(3) und § 3(4) dargelegten Bedingungen fällig.

"**Festzinszahlungstag**" bezeichnet **[*Festzinszahlungstag(e) einfügen*]** eines jeden Jahres, erstmals den **[*ersten Festzinszahlungstag einfügen*]**.

[*Sofern der erste Zinszahlungstag nicht der erste Jahrestag des Verzinsungsbeginns ist, gilt Folgendes:* Die erste Zinszahlung beläuft sich auf **[*anfänglichen Bruchteilzinsbetrag je Festgelegtem Nennbetrag einfügen*]** je festgelegter Stückelung.**]**

(b) *Festzins-Zinstagequotient*. Sofern Zinsen in Bezug auf eine Festzinsperiode oder einen Teil davon zu berechnen sind, erfolgt die Berechnung auf der Grundlage des Festzins-Zinstagequotienten (wie nachstehend definiert).

"**Festzins-Zinstagequotient**" bezeichnet bei der Berechnung des Zinsbetrages für einen beliebigen Zeitraum (ab dem ersten Tag dieses Zeitraums (einschließlich) bis zum letzten Tag dieses Zeitraums (ausschließlich)) (der "**Zinsberechnungszeitraum**"):

[*Wenn die "Actual / Actual (ICMA)" Methode anwendbar ist, gilt Folgendes:*

(i) wenn der Zinsberechnungszeitraum der Feststellungsperiode entspricht, in die er fällt, oder kürzer als diese ist, die Anzahl von Tagen in dem Zinsberechnungszeitraum dividiert durch das Produkt aus (A) der Anzahl von Tagen in der betreffenden Feststellungsperiode und (B) der Anzahl der Feststellungsperioden, die üblicherweise in einem Jahr enden; und

(ii) wenn der Zinsberechnungszeitraum länger als eine Feststellungsperiode ist, die Summe aus

(A) der Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum, die in die Feststellungsperiode fallen, in der der Zinsberechnungszeitraum beginnt, dividiert durch das Produkt aus (1) der Anzahl der Tage in der betreffenden Feststellungsperiode und (2) der Anzahl der Feststellungsperioden, die üblicherweise in einem Jahr enden; und

(B) die Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum, die in die nachfolgende Feststellungsperiode fallen, dividiert durch das Produkt aus (1) der Anzahl der Tage in der betreffenden Feststellungsperiode und (2) der Anzahl der Feststellungsperioden, die üblicherweise in einem Jahr enden.

Dabei gilt Folgendes:

"**Feststellungstermin**" bezeichnet jeden **[*Feststellungstermin(e) einfügen*]**;

"**Feststellungsperiode**" bezeichnet jede Periode ab einem Feststellungstermin (einschließlich), der in ein beliebiges Jahr fällt, bis zum nächsten Feststellungstermin (ausschließlich).**]**

[*Wenn die "Actual / Actual (ISDA)" Methode anwendbar ist, gilt Folgendes:* die tatsächliche Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 365 (oder, falls ein Teil dieses Zinsberechnungszeitraumes in ein Schaltjahr fällt, die Summe aus (A) der tatsächlichen Anzahl der Tage in dem Teil des Zinsberechnungszeitraums, die in das Schaltjahr fallen, dividiert durch 366 und (B) die tatsächliche Anzahl der Tage in dem Teil des Zinsberechnungszeitraums, die nicht in ein Schaltjahr fallen, dividiert durch 365).**]**

[*Wenn die "Actual / 365 (Fixed)" Methode anwendbar ist, gilt Folgendes:* die tatsächliche Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 365.**]**

[*Wenn die "Actual / 360" Methode anwendbar ist, gilt Folgendes:* die tatsächliche Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 360.**]**

[*Wenn die "30 / 360" oder "360 / 360" oder Bond Basis Methode anwendbar ist, gilt Folgendes:* die Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 360 (wobei die Anzahl der Tage auf Grundlage eines Jahres von 360 Tagen mit 12 Monaten je 30 Tagen zu berechnen ist, es sei denn, (A) der letzte Tag des Zinsberechnungszeitraums fällt auf den 31. Tag eines Monats, während der erste Tag des Zinsberechnungszeitraums weder auf den 30. noch auf den 31. Tag eines Monats fällt; in diesem Fall ist der Monat des letzten Tages des Zinsberechnungszeitraums nicht als ein auf 30 Tage gekürzter Monat zu behandeln; oder (B) der letzte Tag des Zinsberechnungszeitraums fällt auf den letzten Tag des Monats Februar; in diesem Fall ist der Monat Februar nicht als ein auf 30 Tage verlängerter Monat zu behandeln).**]**

[*Wenn die "30E / 360" oder "Eurobond Basis" Methode anwendbar ist, gilt Folgendes: die* Anzahl der Tage im Zinsberechnungszeitraum, dividiert durch 360 (dabei ist die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit 12 Monaten zu 30 Tagen zu ermitteln, und zwar ohne Berücksichtigung des Datums des ersten oder letzten Tages des Zinsberechnungszeitraumes).**]**

(2) *Variable Zinsperiode.*

(a) Variable Zinszahlungstage.

(i) Die Schuldverschreibungen werden bezogen auf ihre festgelegte Stückelung ab dem Ersten Kündigungstermin (einschließlich) bis zum ersten Variablen Zinszahlungstag (wie nachstehend definiert) (ausschließlich) und danach von jedem Variablen Zinszahlungstag (einschließlich) bis zum nächstfolgenden Variablen Zinszahlungstag (ausschließlich) mit einem jährlichen Satz, der dem Variablen Zinssatz (wie nachstehend definiert) entspricht, verzinst. Während dieses Zeitraums sind Zinsen jeweils nachträglich an jedem Variablen Zinszahlungstag zur Zahlung vorgesehen, und werden nach Maßgabe der in § 3(3) und § 3(4) dargelegten Bedingungen fällig. Der zu zahlende Variable Zinsbetrag wird gemäß § 3(2)(c) berechnet.

(ii) "**Variabler Zinszahlungstag**" bezeichnet, vorbehaltlich der Geschäftstagekonvention,

[*Im Fall von Festgelegten Zinszahlungstagen gilt Folgendes:* [*festgelegte Variable Zinszahlungstage einfügen*] eines jeden Jahres.**]**

[*Im Fall von Festgelegten Zinsperioden gilt Folgendes:* jeweils den Tag, der **[*Zahl einfügen*] [*Wochen*] [*Monate*]** nach dem vorausgehenden Variablen Zinszahlungstag, oder im Fall des ersten Variablen Zinszahlungstages, nach dem Ersten Kündigungstermin liegt.**]**

(iii) "**Geschäftstagekonvention**" hat die folgende Bedeutung: Fällt ein Zinszahlungstag auf einen Tag, der kein Geschäftstag ist, so wird der Zinszahlungstag

[*im Fall der Modified Following Business Day Convention (adjusted) gilt Folgendes:* auf den nächstfolgenden Geschäftstag verschoben, es sei denn, jener würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall wird der Zinszahlungstag auf den unmittelbar vorausgehenden Geschäftstag vorgezogen.**]**

[*im Fall der FRN-Konvention (adjusted) gilt Folgendes:* auf den nächstfolgenden Geschäftstag verschoben, es sei denn, jener würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall (i) wird der Zinszahlungstag auf den unmittelbar vorausgehenden Geschäftstag vorgezogen und (ii) ist jeder nachfolgende Zinszahlungstag der jeweils letzte Geschäftstag des Monats, in den dieser gefallen wäre, hätte es die Verschiebung nicht gegeben.**]**

[*im Fall der Following Business Day Convention (adjusted) gilt Folgendes:* auf den nächstfolgenden Geschäftstag verschoben.**]**

[*im Fall der Preceding Business Day Convention (adjusted) gilt Folgendes:* auf den unmittelbar vorausgehenden Geschäftstag vorgezogen.**]**

[*Falls der Referenzsatz EURIBOR ist, gilt Folgendes:*

(b) *Variabler Zinssatz*. Der "**Variable Zinssatz**" für jede Variable Zinsperiode (wie nachstehend definiert) ist der Referenzsatz (wie nachstehend definiert) zuzüglich der Marge (wie nachstehend definiert).

(i) Der "**Referenzsatz**" für jede Variable Zinsperiode ist, sofern nachstehend nichts Abweichendes bestimmt wird:

(A) wenn nur ein Angebotssatz auf der Bildschirmseite (wie nachstehend definiert) angezeigt ist, der Angebotssatz, oder

(B) wenn mehr als ein Angebotssatz auf der Bildschirmseite angezeigt wird, das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein Tausendstel Prozent, wobei 0,0005 aufgerundet wird) dieser Angebotssätze,

(ausgedrückt als Prozentsatz *per annum*) für Einlagen in Euro für die jeweilige Variable Zinsperiode, der bzw die auf der Bildschirmseite am betreffenden Zinsfestsetzungstag (wie nachstehend definiert) gegen 11.00 Uhr (Brüsseler Ortszeit) angezeigt wird bzw werden, wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

(ii) Sollte die Bildschirmseite nicht zur Verfügung stehen oder wird zu dem betreffenden Zeitpunkt kein Angebotssatz angezeigt, wird die Berechnungsstelle von den Referenzbanken (wie nachstehend definiert) deren jeweilige Angebotssätze (jeweils als Prozentsatz *per annum* ausgedrückt) für Einlagen in der Festgelegten Währung für die betreffende Variable Zinsperiode und über einen Repräsentativen Betrag (wie nachstehend definiert) gegenüber führenden Banken im Interbankenmarkt der Euro-Zone um ca. 11.00 Uhr (Brüsseler Ortszeit) an dem betreffenden Zinsfeststellungstag einholen. Falls zwei oder mehr Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, ist der Referenzsatz für die betreffende Variable Zinsperiode das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste Tausendstel Prozent, wobei 0,0005 aufgerundet wird) dieser Angebotssätze, wobei alle Feststellungen durch die Berechnungsstelle erfolgen.

(iii) Falls an dem betreffenden Zinsfeststellungstag nur eine oder keine der Referenzbanken der Berechnungsstelle die im vorstehenden Absatz beschriebenen Angebotssätze nennt, ist der Referenzsatz für die betreffende Variable Zinsperiode der Satz *per annum*, den die Berechnungsstelle als das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste Tausendstel Prozent, wobei 0,0005 aufgerundet wird) der Sätze ermittelt, die von der Berechnungsstelle nach Treu und Glauben ausgewählte Großbanken im Interbankenmarkt der Euro-Zone der Berechnungsstelle auf ihre Anfrage als den jeweiligen Satz nennen, zu dem sie um 11.00 Uhr (Brüsseler Ortszeit) am betreffenden Zinsfeststellungstag Darlehen in der Festgelegten Währung für die betreffende Variable Zinsperiode und über einen Repräsentativen Betrag gegenüber führenden europäischen Banken anbieten.

Für den Fall, dass der Referenzsatz nicht gemäß den vorstehenden Bestimmungen dieses Absatzes ermittelt werden kann, ist der Referenzsatz der

Angebotssatz oder das arithmetische Mittel der Angebotssätze auf der Bildschirmseite, wie vorstehend beschrieben, an dem letzten Tag vor dem Zinsfestsetzungstag, an dem diese Angebotssätze angezeigt wurden.

Dabei gilt Folgendes:

"**Bildschirmseite**" bezeichnet Reuters Bildschirmseite EURIBOR01 oder eine andere Bildschirmseite von Reuters oder von einem anderen Informationsanbieter als Nachfolger, welche die Reuters Bildschirmseite EURIBOR01 ersetzt.

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

Die "**Marge**" beträgt **[*Zahl einfügen*]** % *per annum*.

"**Referenzbanken**" bezeichnet im vorstehenden Fall § 3(2)(b)(i)(A) diejenigen Niederlassungen von vier derjenigen Banken, deren Angebotssätze zur Ermittlung des maßgeblichen Angebotssatzes zu dem Zeitpunkt benutzt wurden, als solch ein Angebot letztmals auf der maßgeblichen Bildschirmseite angezeigt wurde, und im vorstehenden Fall § 3(2)(b)(i)(B) diejenigen Banken, deren Angebotssätze zuletzt zu dem Zeitpunkt auf der maßgeblichen Bildschirmseite angezeigt wurden, als letztmals nicht weniger als drei solcher Angebotssätze angezeigt wurden.

"**Repräsentativer Betrag**" bezeichnet einen Betrag, der zu der jeweiligen Zeit in dem jeweiligen Markt für eine einzelne Transaktion repräsentativ ist.

"**TARGET-Geschäftstag**" bezeichnet einen Tag, an dem das Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET) betriebsbereit ist.

"**Variable Zinsperiode**" bezeichnet den Zeitraum ab dem Ersten Kündigungstermin (einschließlich) bis zum ersten Variablen Zinszahlungstag (ausschließlich) sowie jeden folgenden Zeitraum ab einem Variablen Zinszahlungstag (einschließlich) bis zum jeweils darauf folgenden Variablen Zinszahlungstag (ausschließlich).

"**Zinsfestsetzungstag**" bezeichnet den zweiten TARGET-Geschäftstag vor Beginn der jeweiligen Variablen Zinsperiode.

"**Zinsperiode**" bezeichnet jede Festzinsperiode und jede Variable Zinsperiode.

"**Zinszahlungstag**" bezeichnet jeden Festzinszahlungstag und jeden Variablen Zinszahlungstag.**]**

[*Falls der Referenzsatz LIBOR ist, gilt Folgendes:*

(b) *Variabler Zinssatz*. Der "**Variable Zinssatz**" für jede Variable Zinsperiode (wie nachstehend definiert) ist der Referenzsatz (wie nachstehend definiert) zuzüglich der Marge (wie nachstehend definiert).

(i) Der "**Referenzsatz**" für jede Variable Zinsperiode ist, sofern nachstehend nichts Abweichendes bestimmt wird:

(A) wenn nur ein Angebotssatz auf der Bildschirmseite (wie nachstehend definiert) angezeigt ist, der Angebotssatz, oder

(B) wenn mehr als ein Angebotssatz auf der Bildschirmseite angezeigt wird, das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein Hunderttausendstel Prozent, wobei 0,000005 aufgerundet wird) dieser Angebotssätze,

(ausgedrückt als Prozentsatz *per annum*) für Einlagen in der Festgelegten Währung für die jeweilige Variable Zinsperiode, der bzw die auf der

Bildschirmseite am betreffenden Zinsfestsetzungstag (wie nachstehend definiert) gegen 11.00 Uhr (Londoner Ortszeit) angezeigt wird bzw werden zuzüglich der Marge (wie nachstehend definiert), wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

(ii) Sollte die Bildschirmseite nicht zur Verfügung stehen oder wird zu dem betreffenden Zeitpunkt kein Angebotssatz angezeigt, wird die Berechnungsstelle von den Referenzbanken (wie nachstehend definiert) deren jeweilige Angebotssätze (jeweils als Prozentsatz *per annum* ausgedrückt) für Einlagen in der Festgelegten Währung für die betreffende Variable Zinsperiode und über einen Repräsentativen Betrag (wie nachstehend definiert) gegenüber führenden Banken im Londoner Interbankenmarkt um ca. 11.00 Uhr (Londoner Ortszeit) an dem betreffenden Zinsfeststellungstag einholen. Falls zwei oder mehr Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, ist der Referenzsatz für die betreffende Variable Zinsperiode das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste Hunderttausendstel Prozent, wobei 0,000005 aufgerundet wird) dieser Angebotssätze, wobei alle Feststellungen durch die Berechnungsstelle erfolgen.

(iii) Falls an dem betreffenden Zinsfeststellungstag nur eine oder keine der Referenzbanken der Berechnungsstelle die im vorstehenden Absatz beschriebenen Angebotssätze nennt, ist der Referenzsatz für die betreffende Variable Zinsperiode der Satz *per annum*, den die Berechnungsstelle als das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste Hunderttausendstel Prozent, wobei 0,000005 aufgerundet wird) der Sätze ermittelt, die von der Berechnungsstelle nach Treu und Glauben ausgewählte Großbanken im Londoner Interbankenmarkt der Berechnungsstelle auf ihre Anfrage als den jeweiligen Satz nennen, zu dem sie um 11.00 Uhr (Londoner Ortszeit) am betreffenden Zinsfeststellungstag Darlehen in der Festgelegten Währung für die betreffende Variable Zinsperiode und über einen Repräsentativen Betrag gegenüber führenden europäischen Banken anbieten.

Für den Fall, dass der Referenzsatz nicht gemäß den vorstehenden Bestimmungen dieses Absatzes ermittelt werden kann, ist der Referenzsatz der Angebotssatz oder das arithmetische Mittel der Angebotssätze auf der Bildschirmseite, wie vorstehend beschrieben, an dem letzten Tag vor dem Zinsfestsetzungstag, an dem diese Angebotssätze angezeigt wurden.

Dabei gilt Folgendes:

"**Bildschirmseite**" bezeichnet Reuters Bildschirmseite LIBOR01 oder eine andere Bildschirmseite von Reuters oder von einem anderen Informationsanbieter als Nachfolger, welche die Reuters Bildschirmseite LIBOR01 ersetzt.

"**Londoner Geschäftstag**" bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem Geschäftsbanken in London für Geschäfte (einschließlich Devisen- und Sortengeschäfte) geöffnet sind.

Die "**Marge**" beträgt **[*Zahl einfügen*]** % *per annum*.

"**Referenzbanken**" bezeichnet im vorstehenden Fall § 3(2)(b)(i)(A) diejenigen Niederlassungen von vier derjenigen Banken, deren Angebotssätze zur Ermittlung des maßgeblichen Angebotssatzes zu dem Zeitpunkt benutzt wurden, als solch ein Angebot letztmals auf der maßgeblichen Bildschirmseite angezeigt wurde, und im vorstehenden Fall § 3(2)(b)(i)(B) diejenigen Banken, deren Angebotssätze zuletzt zu dem Zeitpunkt auf der maßgeblichen Bildschirmseite angezeigt wurden, als letztmals nicht weniger als drei solcher Angebotssätze angezeigt wurden.

"**Repräsentativer Betrag**" bezeichnet einen Betrag, der zu der jeweiligen Zeit in dem jeweiligen Markt für eine einzelne Transaktion repräsentativ ist.

"**Variable Zinsperiode**" bezeichnet den Zeitraum ab dem Ersten Kündigungstermin (einschließlich) bis zum ersten Variablen Zinszahlungstag (ausschließlich) sowie jeden folgenden Zeitraum ab einem Variablen Zinszahlungstag (einschließlich) bis zum jeweils darauf folgenden Variablen Zinszahlungstag (ausschließlich).

"**Zinsfestsetzungstag**" bezeichnet den **[**ersten**] [**zweiten**]** Londoner Geschäftstag vor Beginn der jeweiligen Variable Zinsperiode.

"**Zinsperiode**" bezeichnet jede Festzinsperiode und jede Variable Zinsperiode.

"**Zinszahlungstag**" bezeichnet jeden Festzinszahlungstag und jeden Variablen Zinszahlungstag.**]**

(c) *Variabler Zinsbetrag*. Die Berechnungsstelle wird zu oder baldmöglichst nach jedem Zeitpunkt, an dem der Variable Zinssatz zu bestimmen ist, den auf die Schuldverschreibungen zur Zahlung vorgesehenen Variablen Zinsbetrag bezogen auf jeden Festgelegten Nennbetrag (der "**Zinsbetrag**") für die entsprechende Variable Zinsperiode berechnen. Der Variable Zinsbetrag wird ermittelt, indem der Variable Zinssatz und der Variable Zinstagequotient (wie nachstehend definiert) auf jede festgelegte Stückelung angewendet werden, wobei der resultierende Betrag **[*falls die Festgelegte Währung Euro ist, einfügen:*** auf den nächsten 0,01 Euro auf- oder abgerundet wird, wobei 0,005 Euro aufgerundet werden.**] [*falls die Festgelegte Währung nicht Euro ist, einfügen:*** auf die kleinste Einheit der Festgelegten Währung auf- oder abgerundet wird, wobei 0,5 solcher Einheiten aufgerundet werden.**]**

"**Variabler Zinstagequotient**" bezeichnet bei der Berechnung des Zinsbetrages für einen beliebigen Zinsberechnungszeitraum:

[*Wenn die "Actual / Actual (ISDA)" Methode anwendbar ist, gilt Folgendes:* die tatsächliche Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 365 (oder, falls ein Teil dieses Zinsberechnungszeitraumes in ein Schaltjahr fällt, die Summe aus (A) der tatsächlichen Anzahl der Tage in dem Teil des Zinsberechnungszeitraums, die in das Schaltjahr fallen, dividiert durch 366 und (B) die tatsächliche Anzahl der Tage in dem Teil des Zinsberechnungszeitraums, die nicht in ein Schaltjahr fallen, dividiert durch 365).**]**

[*Wenn die "Actual / 365 (Fixed)" Methode anwendbar ist, gilt Folgendes:* die tatsächliche Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 365.**]**

[*Wenn die "Actual / 360" Methode anwendbar ist, gilt Folgendes:* die tatsächliche Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 360.**]**

[*Wenn die "30 / 360" oder "360 / 360" oder Bond Basis Methode anwendbar ist, gilt Folgendes:* die Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 360, (wobei die Anzahl der Tage auf Grundlage eines Jahres von 360 Tagen mit 12 Monaten je 30 Tagen zu berechnen ist, es sei denn, (A) der letzte Tag des Zinsberechnungszeitraums fällt auf den 31. Tag eines Monats, während der erste Tag des Zinsberechnungszeitraums weder auf den 30. noch auf den 31. Tag eines Monats fällt; in diesem Fall ist der Monat des letzten Tages des Zinsberechnungszeitraums nicht als ein auf 30 Tage gekürzter Monat zu behandeln; oder (B) der letzte Tag des Zinsberechnungszeitraums fällt auf den letzten Tag des Monats Februar; in diesem Fall ist der Monat Februar nicht als ein auf 30 Tage verlängerter Monat zu behandeln).**]**

[*Wenn die "30E / 360" oder "Eurobond Basis" Methode anwendbar ist, gilt Folgendes:* die Anzahl der Tage im Zinsberechnungszeitraum, dividiert durch 360 (dabei ist die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit 12 Monaten zu 30 Tagen zu ermitteln, und zwar ohne Berücksichtigung des Datums des ersten oder letzten Tages des Zinsberechnungszeitraumes).**]**

[*Falls der Referenzsatz EURIBOR ist, gilt Folgendes*:

(d) *Mitteilungen*. Die Berechnungsstelle wird veranlassen, dass der Variable Zinssatz, der

Variable Zinsbetrag für die jeweilige Variable Zinsperiode, die jeweilige Variable Zinsperiode und der relevante Variable Zinszahlungstag der Emittentin und den Anleihegläubigern durch Bekanntmachung gemäß § 11 baldmöglichst, aber keinesfalls später als am vierten auf die Berechnung jeweils folgenden TARGET-Geschäftstag und jeder Börse, an der die betreffenden Schuldverschreibungen zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, umgehend, aber keinesfalls später als zu Beginn der jeweiligen Variablen Zinsperiode bekannt gemacht werden. Im Fall einer Verlängerung oder Verkürzung der Variablen Zinsperiode können der mitgeteilte Variable Zinsbetrag und Variable Zinszahlungstag ohne Vorankündigung nachträglich angepasst (oder andere geeignete Anpassungsregelungen getroffen) werden. Jede solche Anpassung wird umgehend allen Börsen, an denen die Schuldverschreibungen zu diesem Zeitpunkt notiert sind, sowie den Anleihegläubigern gemäß § 11 bekannt gemacht.]

[*Falls der Referenzsatz LIBOR ist, gilt Folgendes:*

(d) *Mitteilungen*. Die Berechnungsstelle wird veranlassen, dass der Variable Zinssatz, der Variable Zinsbetrag für die jeweilige Variable Zinsperiode, die jeweilige Variable Zinsperiode und der relevante Variable Zinszahlungstag der Emittentin und den Anleihegläubigern durch Bekanntmachung gemäß § 11 baldmöglichst, aber keinesfalls später als am vierten auf die Berechnung jeweils folgenden Londoner Geschäftstag und jeder Börse, an der die betreffenden Schuldverschreibungen zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, umgehend, aber keinesfalls später als zu Beginn der jeweiligen Variable Zinsperiode bekannt gemacht werden. Im Fall einer Verlängerung oder Verkürzung der Variablen Zinsperiode können der mitgeteilte Variable Zinsbetrag und Variable Zinszahlungstag ohne Vorankündigung nachträglich angepasst (oder andere geeignete Anpassungsregelungen getroffen) werden. Jede solche Anpassung wird umgehend allen Börsen, an denen die Schuldverschreibungen zu diesem Zeitpunkt notiert sind, sowie den Anleihegläubigern gemäß § 11 bekannt gemacht.**]**

(e) *Verbindlichkeit der Festsetzungen*. Alle Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der Berechnungsstelle für Zwecke dieses § 3(2) gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern nicht ein offensichtlicher Irrtum vorliegt) für die Emittentin, die Zahlstelle und die Anleihegläubiger bindend.

(3) *Fälligkeit von Zinszahlungen, wahlweise und zwingende Aussetzung von Zinszahlungen*.

(a) Zinsen, die während einer Zinsperiode auflaufen, die an einem Obligatorischen Zinszahlungstag (wie nachstehend definiert) (ausschließlich) endet, werden an diesem Obligatorischen Zinszahlungstag fällig.

(b) Zinsen, die während einer Zinsperiode auflaufen, die an einem Optionalen Zinszahlungstag (wie nachstehend definiert) (ausschließlich) endet, werden an diesem Optionalen Zinszahlungstag fällig, es sei denn, die Emittentin entscheidet sich durch eine Mitteilung an die Anleihegläubiger gemäß § 11 innerhalb einer Frist von nicht weniger als 10 und nicht mehr als 15 Geschäftstagen vor dem betreffenden Zinszahlungstag dazu, die betreffende Zinszahlung auszusetzen.

Wenn sich die Emittentin an einem Optionalen Zinszahlungstag zur vollständigen oder teilweisen Aussetzung aufgelaufener Zinsen entschieden hat, ist sie nicht verpflichtet, an dem betreffenden Optionalen Zinszahlungstag aufgelaufene Zinsen zu zahlen bzw ist sie nur verpflichtet, den Teil der aufgelaufenen Zinsen zu leisten, für dessen Aussetzung sie sich nicht entschieden hat. Eine Nichtzahlung aus diesem Grunde begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke.

(c) Falls in Bezug auf einen Zinszahlungstag ein Obligatorisches Aussetzungsereignis eingetreten ist, werden Zinsen, die während eines Zeitraumes aufgelaufen sind, der an dem betreffenden Zinszahlungstag (ausschließlich) endet, an diesem Zinszahlungstag nicht fällig. Die Emittentin wird die Anleihegläubiger gemäß § 11 über den Eintritt eines Obligatorischen Aussetzungsereignisses baldmöglichst nach seiner Feststellung, spätestens am vierten Geschäftstag nach dem betreffenden Zinszahlungstag informieren. Eine Nichtzahlung aus diesem Grunde begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke.

(d) Nach Maßgabe dieses § 3(3) nicht fällig gewordene aufgelaufene Zinsen für eine Zinsperiode sind Zinsrückstände (die "**Zinsrückstände**").

Anleihegläubiger erhalten keine Zinsen oder sonstige Entschädigung im Falle einer optionalen Stundung der Zinszahlung. Insbesondere werden Zinsrückstände nicht verzinst.

Dabei gilt Folgendes:

"**Anwendbares Insolvenzrecht**" bezeichnet die auf die Emittentin anwendbaren Bestimmungen des relevanten Insolvenzrechts einslchließlich (aber nicht eingeschränkt auf) die Insolvenzordnung (IO) und alle diesbezüglichen Regelungen und Verordnungen (einschließlich anwendbarer Gerichtsentscheidungen), in der jeweils geltenden Fassung.

Ein "**Insolvenzereignis**" ist in Bezug auf eine Zahlung von Zinsen, Zinsrückständen oder Kapital auf die Schuldverschreibungen oder einen Rückkauf der Schuldverschreibungen eingetreten, wenn die Emittentin dadurch nach Maßgabe des Anwendbaren Insolvenzrechts insolvent würde.

"**Obligatorischer Zinszahlungstag**" bezeichnet jeden Zinszahlungstag, in Bezug auf den während der letzten zwölf Monate vor dem betreffenden Zinszahlungstag ein Obligatorisches Zinszahlungsereignis eingetreten ist, und in Bezug auf den kein Obligatorisches Aussetzungsereignis eingetreten ist und fortdauert.

Ein "**Obligatorisches Aussetzungsereignis**" ist in Bezug auf einen Tag, an dem Zahlungen von Zinsen und/oder Zinsrückständen gemäß diesen Anleihebedingungen vorgesehen sind, eingetreten, wenn

(a) die entsprechende Zahlung zu einem Insolvenzereignis führen oder dessen Eintritt beschleunigen würde; oder

(b) die Aufsichtsbehörde der Emittentin die Leistung von Zahlungen auf die Schuldverschreibungen untersagt hat; oder

(c) an oder vor diesem Tag ein Solvenzkapital-Ereignis eingetreten ist und an diesem Tag fortdauert oder durch die Zahlung von Zinsen und/oder Zinsrückständen durch die Emittentin an diesem Tag eintreten würde, es sei denn, dass

   (i) an oder vor diesem Tag die Aufsichtsbehörde ihre vorherige Genehmigung zur Zahlung der betreffenden Zinsen und/oder Zinsrückstände ausnahmsweise erteilt und bis zu diesem Tag nicht widerrufen hat; und

   (ii) die Zahlung der betreffenden Zinsen und/oder Zinsrückstände die Solvabilität der Emittentin, der Gruppe der Emittentin und/oder der Gruppe des WST-Versicherungsvereins nicht weiter schwächt; und

   (iii) die Mindestkapitalanforderung (MCR) (wie auch immer im Anwendbaren Aufsichtsrecht bezeichnet) gemäß dem Anwendbaren Aufsichtsrecht nach der Zahlung der betreffenden Zinsen und/oder Zinsrückstände eingehalten wird.

"**Obligatorisches Zinszahlungsereignis**" bezeichnet jedes der folgenden Ereignisse:

(i) in der letzten ordentlichen Hauptversammlung der Emittentin, die stattfand, wurde eine Dividende, sonstige Ausschüttung oder Zahlung auf Gleichrangige Instrumente oder Nachrangige Instrumente wirksam beschlossen; oder

(ii) seit der letzten ordentlichen Hauptversammlung der Emittentin hat die Emittentin eine Abschlagszahlung auf den Bilanzgewinn geleistet; oder

(iii) die Emittentin hat, direkt oder indirekt über eine ihrer Tochtergesellschaften, Aktien jeder Gattung gegen Barzahlung zurückgekauft (mit Ausnahme von Rückkäufen, die in Verbindung mit Aktienoptionen oder Aktienbeteiligungsprogrammen für das das Management oder für Angestellte der Emittentin oder verbundene Unternehmen der Emittentin im Rahmen der gewöhnlichen Geschäftstätigkeit gemacht wurden).

"**Optionaler Zinszahlungstag**" bezeichnet jeden Zinszahlungstag, in Bezug auf den während der letzten zwölf Monate vor dem betreffenden Zinszahlungstag kein Obligatorisches Zinszahlungsereignis eingetreten ist, und in Bezug auf den kein Obligatorisches Aussetzungsereignis eingetreten ist und fortdauert.

Ein "**Solvenzkapital-Ereignis**" ist eingetreten, falls die Eigenmittel (wie auch immer im Anwendbaren Aufsichtsrecht bezeichnet) der Emittentin, der Gruppe der Emittentin und/oder der Gruppe des WST-Versicherungsvereins nicht ausreichen, um die Solvenzkapitalanforderung (SCR), Mindestkapitalanforderung (MCR) oder jede andere anwendbare Kapitalanforderung (wie auch immer im Anwendbaren Aufsichtsrecht bezeichnet) gemäß dem Anwendbaren Aufsichtsrecht zu decken, was auch immer früher eintritt, und gemäß dem Anwendbaren Aufsichtsrecht eine Aussetzung von Zinszahlungen oder die Nichtzahlung von Zinsrückständen, die Nicht-Rückzahlung des Kapitals oder der Nicht-Rückkauf erforderlich ist, damit die Schuldverschreibungen als Tier 2 der Emittentin, der Gruppe der Emittentin und/oder der Gruppe des WST-Versicherungsvereins anrechenbar sind.

(4) *Nachzahlung von Zinsrückständen*.

(a) *Optionale Nachzahlung von Zinsrückständen*.

Die Emittentin ist berechtigt, ausstehende Zinsrückstände jederzeit (ganz oder teilweise) nachzuzahlen, wenn die Nachzahlungsvoraussetzungen (wie nachstehend definiert) in Bezug auf diese Zahlung erfüllt sind.

Wenn sich die Emittentin dazu entscheidet, ausstehende Zinsrückstände (ganz oder teilweise) nachzuzahlen, wird sie die Anleihegläubiger durch Mitteilung gemäß § 11 unter Einhaltung einer Frist von nicht weniger als 10 und nicht mehr als 15 Geschäftstagen hierüber in Kenntnis setzen, wobei eine solche Bekanntmachung (i) den Betrag an Zinsrückständen, der gezahlt werden soll, und (ii) den für diese Zahlung festgelegten Tag (der "**Optionale Nachzahlungstag**") enthalten muss.

Nach einer solchen Bekanntmachung wird der darin angegebene Betrag an Zinsrückständen am angegebenen Optionalen Nachzahlungstag fällig und die Emittentin ist verpflichtet, diesen Betrag an Zinsrückständen am Optionalen Nachzahlungstag nachzuzahlen, sofern an diesem Tag die Nachzahlungsvoraussetzungen (wie nachstehend definiert) in Bezug auf die betreffende Zahlung erfüllt sind.

(b) *Pflicht zur Nachzahlung von Zinsrückständen*.

Vorbehaltlich des nachstehenden § 3(4)(c) ist die Emittentin verpflichtet, sämtliche ausstehenden Zinsrückstände (insgesamt und nicht nur teilweise) am nächsten Obligatorischen Nachzahlungstag (wie nachstehend definiert) nachzuzahlen.

(c) Falls an einem Optionalen Nachzahlungstag oder einem Obligatorischen Nachzahlungstag die Nachzahlungsvoraussetzungen, soweit erforderlich, nicht erfüllt sind, werden Zinsrückstände, deren Zahlung an diesem Tag vorgesehen war, an dem betreffenden Optionalen Nachzahlungstag oder Obligatorischen Nachzahlungstag nicht fällig, sondern bleiben ausstehend. Die Emittentin wird die Anleihegläubiger gemäß § 11 über die Nichterfüllung der Nachzahlungsvoraussetzungen baldmöglichst nach ihrer Feststellung, spätestens am vierten Geschäftstag nach dem betreffenden Optionalen Nachzahlungstag oder Obligatorischen Nachzahlungstag informieren. Eine

Nichtzahlung aus diesem Grunde begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke.

Dabei gilt Folgendes:

"**Obligatorischer Nachzahlungstag**" bezeichnet den früheren der folgenden Tage:

(i) den nächsten Zinszahlungstag, der auf den Tag folgt, an dem ein Obligatorisches Zinszahlungsereignis eingetreten ist, und in Bezug auf den die Nachzahlungsvoraussetzungen erfüllt sind;

(ii) den Tag, an dem die Schuldverschreibungen zur Rückzahlung fällig werden;

(iii) den Tag, an dem eine Verfügung zur Auflösung, Abwicklung oder Liquidation der Emittentin ergeht (sofern dies nicht für Zwecke oder als Folge eines Zusammenschlusses, einer Umstrukturierung oder Sanierung geschieht, bei dem bzw bei der die Emittentin noch zahlungsfähig ist und bei dem bzw bei der die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin übernimmt).

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

(i) an diesem Tag kein Obligatorisches Aussetzungsereignis eingetreten ist und fortdauert; und

(ii) an oder vor diesem Tag die Aufsichtsbehörde ihre Genehmigung zu der betreffenden Zahlung erteilt und nicht widerrufen hat, vorausgesetzt, dass eine solche Genehmigung zum betreffenden Zeitpunkt für die Anrechenbarkeit der Schuldverschreibungen als Tier 2 der Emittentin, der Gruppe der Emittentin und/oder der Gruppe des WST-Versicherungsvereins gemäß Anwendbarem Aufsichtsrecht erforderlich ist.

(5) *Ende des Zinslaufs.*

Der Zinslauf der Schuldverschreibungen endet mit Ablauf des Tages, der dem Tag unmittelbar vorangeht, an dem sie zur Rückzahlung fällig werden. Sollte die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlösen, endet die Verzinsung des ausstehenden Nennbetrages der Schuldverschreibungen nicht am Fälligkeitstag, sondern erst mit Ablauf des Tages, der dem Tag der tatsächlichen Rückzahlung der Schuldverschreibungen vorangeht. Der jeweils geltende Zinssatz wird gemäß § 3 bestimmt. Weitergehende Ansprüche der Anleihegläubiger bleiben unberührt.

§ 4
ZAHLUNGEN

(1)(a) *Zahlungen auf Kapital*. Zahlungen von Kapital auf die Schuldverschreibungen erfolgen nach Maßgabe des nachstehenden Absatzes (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems gegen Vorlage und (außer im Fall von Teilzahlungen) Einreichung der Schuldverschreibungen zum Zeitpunkt der Zahlung verbriefenden Globalurkunde bei der bezeichneten Geschäftsstelle der Zahlstelle außerhalb der Vereinigten Staaten.

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

(2) *Zahlungsweise*. Zu leistende Zahlungen auf die Schuldverschreibungen erfolgen in der frei handelbaren und konvertierbaren Währung, die am entsprechenden Fälligkeitstag die Währung des Staates der festgelegten Währung ist bzw, wenn die festgelegte Währung Euro ist, Österreich.

Sämtliche zu leistenden Zahlungen erfolgen in allen Fällen entsprechend den geltenden steuerlichen und sonstigen Gesetzen, Richtlinien und Verordnungen oder anderen Rechtsnormen, denen die Emittentin oder die Zahlstelle zustimmt, und die Emittentin haftet nicht für Steuern oder Abgaben jeglicher Art, die aufgrund dieser Gesetze, Richtlinien, Verordnungen oder Vereinbarungen einzuheben oder abzuführen sind, all dies jedoch vorbehaltlich des § 7.

(3) *Vereinigte Staaten*. "**Vereinigte Staaten**" bezeichnet die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des "District of Columbia") sowie deren Territorien (einschließlich Puerto Ricos, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und Northern Mariana Islands) und Besitzungen und sonstigen ihrer Jurisdiktion unterliegenden Gebiete.

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

(5) *Zahltag*. Fällt der Fälligkeitstag einer Zahlung in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Zahltag ist, dann hat der Anleihegläubiger keinen Anspruch auf Zahlung vor dem nächstfolgenden Zahltag am jeweiligen Geschäftsort. Der Anleihegläubiger ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen.

Für diese Zwecke bezeichnet "**Zahltag**"

[*falls die Festgelegte Währung nicht Euro ist, gilt Folgendes:* einen Tag (außer einem Samstag oder Sonntag), an dem Geschäftsbanken und Devisenmärkte in **[*sämtliche relevanten Finanzzentren einfügen*]** Zahlungen abwickeln.**]**

[*falls die Festgelegte Währung Euro ist, gilt Folgendes:* einen Tag (außer einem Samstag oder Sonntag), (i) an dem das Clearingsystem und (ii) das Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET) geöffnet sind, um Zahlungen abzuwickeln.**]**

§ 5
RÜCKZAHLUNG

(1) *Rückzahlung bei Endfälligkeit*.

Soweit nicht zuvor bereits zurückgezahlt, werden die Schuldverschreibungen am Endfälligkeitstag zum Rückzahlungsbetrag je Schuldverschreibung zurückgezahlt.

Dabei gilt Folgendes:

"**Endfälligkeitstag**" bezeichnet entweder (i) sofern am Vorgesehenen Endfälligkeitstag (wie nachstehend definiert) die Rückzahlungsbedingungen erfüllt sind, den Vorgesehene Endfälligkeitstag; oder (ii) den ersten Variablen Zinszahlungstag nach dem Vorgesehenen Endfälligkeitstag, an dem die Rückzahlungsbedingungen erfüllt sind.

"**Vorgesehener Endfälligkeitstag**" bezeichnet den in den **[*Rückzahlungsmonat/-jahr für Vorgesehenen Endfälligkeitstag einfügen*]** fallenden Variablen Zinszahlungstag.

(2) *Keine Rückzahlung nach Wahl eines Anleihegläubigers*

Die Anleihegläubiger haben kein Recht, die Rückzahlung der Schuldverschreibungen zu verlangen.

(3) *Vorzeitige Rückzahlung bei Vorliegen eines Vorzeitigen Rückzahlungsereignisses.*

Die Emittentin kann, nach vorheriger Benachrichtigung gemäß § 5 (6) und vorbehaltlich der Erfüllung der Rückzahlungsbedingungen am festgelegten Rückzahlungstermin, die Schuldverschreibungen zu deren Rückzahlungsbetrag im Falle eines Vorzeitigen Rückzahlungs-Ereignisses jederzeit (insgesamt und nicht nur teilweise) zurückzahlen oder tilgen.

Dabei gilt Folgendes:

Ein "**Aufsichtsrechtliches Ereignis**" tritt ein, wenn es gemäß dem Anwendbaren Aufsichtsrecht zulässig ist, Tier 2 als Eigenmittel für Zwecke der Kapitalanforderungen der Emittentin, der Gruppe der Emittentin und/oder der Gruppe des WST-Versicherungsvereins zu verwenden, und die Aufsichtsbehörde schriftlich oder auf andere Weise gegenüber der Emittentin bestätigt, dass:

(A) nach dem Anwendbaren Aufsichtsrecht die Schuldverschreibungen (ganz oder teilweise) nicht als Tier 2 für Zwecke der Ermittlung der Kapitalanforderungen der Emittentin, der Gruppe der Emittentin und/oder der Gruppe des WST-Versicherungsvereins, anrechenbar sind; oder

(B) nach dem Anwendbaren Aufsichtsrecht und aufgrund einer Änderung des Anwendbaren Aufsichtsrechts die Schuldverschreibungen (ganz oder teilweise) nicht länger als Tier 2 für Zwecke der Kapitalanforderungen der Emittentin, der Gruppe der Emittentin und/oder der Gruppe des WST-Versicherungsvereins anrechenbar sind, sofern sie am Solvency II-Umsetzungsdatum zunächst als Tier 2 für Zwecke der Ermittlung der Kapitalanforderungen der Emittentin, der Gruppe der Emittentin und/oder der Gruppe des WST-Versicherungsvereins anrechenbar waren,

ausgenommen wenn dies in beiden Fällen (A) und (B) aus einer Überschreitung der Anrechnungsgrenzen für die Einbeziehung der Schuldverschreibungen in Tier 2 oder Eigenmittel höherer Qualität der Emittentin, der Gruppe der Emittentin und/oder der Gruppe des WST-Versicherungsvereins gemäß dem Anwendbaren Aufsichtsrecht resultiert.

Ein "**Aufzahlungs-Ereignis**" tritt ein, wenn die Emittentin aufgrund einer Gesetzesänderung oder Änderung der Auslegung der Gesetze verpflichtet wurde oder werden wird, zusätzliche Beträge auf die Schuldverschreibungen zu zahlen. Eine solche Kündigung darf nicht früher als 90 Tage vor dem Tag erfolgen, an dem die Emittentin erstmals verpflichtet wäre, die zusätzlichen Beträge auf die Schuldverschreibungen zu zahlen

Ein "**Ratingagenturereignis**" tritt ein, wenn infolge einer Änderung der Rating-Methodologie von Standard & Poor's Credit Market Services Europe Limited, einer Tochtergesellschaft der The McGraw Hill Companies, Inc. ("**S&P**") oder deren Auslegung die Schuldverschreibungen nicht mehr für die gleiche oder eine höhere Kategorie von "equity credit" wie am Ausgabetag der Schuldverschreibungen anrechenbar ist, und S&P dies der Emittentin entweder schriftlich bestätigt oder S&P dies veröffentlicht hat.

Ein "**Rechnungslegungsereignis**" tritt ein, wenn die Emittentin die Verbindlichkeiten aus den Schuldverschreibungen zur Zahlung des Kapitals nicht oder nicht länger als Verbindlichkeiten in der Konzernbilanz ausweisen darf.

Ein "**Steuerereignis**" tritt ein, wenn Zinsen, die von der Emittentin auf die Schuldverschreibungen zu zahlen sind, von der Emittentin nicht mehr für Zwecke der österreichischen Einkommensteuer voll abzugsfähig sind, oder innerhalb von 90 Tagen nach dem Datum des Gutachtens eines anerkannten unabhängigen Steuerberaters, welches für diese Zwecke vorgelegt wird, nicht mehr voll abzugsfähig sein werden.

Ein "**Vorzeitiges Rückzahlungsereignis**" tritt ein, wenn (i) am oder nach dem Ausgabetag der Schuldverschreibungen ein Aufsichtsrechtliches Ereignis eintritt; oder (ii) am oder nach dem fünften Jahrestag des Ausgabetags der Schuldverschreibungen ein Aufzahlungs-Ereignis, ein Steuerereignis, ein Rechnungslegungsereignis oder ein Ratingagenturereignis eintritt.

(4) *Vorzeitige Rückzahlung nach Wahl der Emittentin*.

Die Emittentin ist berechtigt, durch vorherige Erklärung gemäß § 5(6) und vorbehaltlich der Erfüllung der Rückzahlungsbedingungen an dem für die Rückzahlung festgelegten Tag, die Schuldverschreibungen (ganz, aber nicht teilweise) zu deren Rückzahlungsbetrag am Ersten Kündigungstermin sowie an jedem folgenden Zinszahlungstag zurückzuzahlen.

(5) *Rückzahlungsbedingungen*.

Die "**Rückzahlungsbedingungen**" sind an einem Tag in Bezug auf eine vorgesehene Rückzahlung oder einen geplanten Rückkauf der Schuldverschreibungen erfüllt, wenn:

(a) eine Rückzahlung oder ein Rückkauf nicht zu einem Insolvenzereignis führen oder dessen Eintritt beschleunigen würde; und

(b) kein Solvenzkapital-Ereignis eingetreten ist und fortdauert oder durch die Rückzahlung oder den Rückkauf der Schuldverschreibungen eintreten würde, sofern nicht

(i) die Aufsichtsbehörde ihre vorherige Genehmigung zur Rückzahlung der Schuldverschreibungen und zur Zahlung des Rückzahlungsbetrages oder zum Rückkauf der Schuldverschreibungen trotz des Solvenzkapital-Ereignisses ausnahmsweise erteilt und bis zu diesem Tag nicht widerrufen hat; und

(ii) das Kapital durch einen anderen, zumindest gleichwertigen tier 1- oder tier 2-Basiseigenmittelbestandteil mit Genehmigung der Aufsichtsbehörde ersetzt wird; und

(iii) die Mindestkapitalanforderung (MCR) (wie auch immer im Anwendbaren Aufsichtsrecht bezeichnet) gemäß dem Anwendbaren Aufsichtsrecht nach der Rückzahlung der Schuldverschreibungen und der Zahlung des Rückzahlungsbetrages oder nach dem Rückkauf der Schuldverschreibungen erfüllt wird; und

(c) die Aufsichtsbehörde ihre vorherige Genehmigung zur Rückzahlung oder zum Rückkauf der Schuldverschreibungen erteilt und bis zu diesem Tag nicht widerrufen hat; und

(d) im Falle einer Rückzahlung oder eines Rückkaufs der Schuldverschreibungen vor dem Ersten Kündigungstermin das Kapital durch andere tier 1- oder tier 2-Basiseigenmittel mit zumindest gleicher Qualität ersetzt worden ist (falls eine solche Ersetzung zum betreffenden Zeitpunkt für die Anrechenbarkeit der Schuldverschreibungen als Tier 2 der Emittentin, der Gruppe der Emittentin und/oder der Gruppe des WST-Versicherungsvereins gemäß dem Anwendbaren Aufsichtsrecht erforderlich ist).

Die Emittentin darf jederzeit, durch Bekanntmachung einer Mitteilung an die Anleihegläubiger, auf einzelne oder alle ihrer Rechte zur Rückzahlung der Schuldverschreibungen für den in der Mitteilung angegebenen Zeitraum verzichten. In diesem Fall gelten diese Anleihebedingungen als entsprechend geändert und die Emittentin hat kein Recht zur Rückzahlung der Schuldverschreibungen während des in der Mitteilung angegebenen Zeitraums.

(6) *Bekanntmachung der vorzeitigen Rückzahlung*.

Die Emittentin wird den Anleihegläubigern eine vorzeitige Rückzahlung gemäß § 5(3) oder § 5(4) gemäß § 11 unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen bekanntgeben.

Die Bekanntmachung der vorzeitigen Rückzahlung hat das konkrete Rückzahlungsdatum sowie die Tatsachen, auf welche sich das Recht der Emittentin zur Rückzahlung der Schuldverschreibungen gründet, zu enthalten.

(7) *Rückzahlungsbetrag*.

"**Rückzahlungsbetrag**" ist ein Betrag je Schuldverschreibung in Höhe des Festgelegten Nennbetrages zuzüglich der bis zum Tag der Rückzahlung (ausschließlich) in Bezug auf diese Schuldverschreibung aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher fälliger Zinsrückstände in Bezug auf diese Schuldverschreibung.

§ 6
DIE ZAHLSTELLE UND DIE BERECHNUNGSSTELLE

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

Zahlstelle: [Erste Group Bank AG, Graben 21, A-1010 Vienna, Austria**] [*andere einfügen*]**

Berechnungsstelle: [Erste Group Bank AG, Graben 21, A-1010 Vienna, Austria**] [*anderes***

***einfügen*]**

Die Zahlstelle und die Berechnungsstelle behalten sich das Recht vor, jederzeit die bezeichnete Geschäftsstelle durch eine andere bezeichnete Geschäftsstelle in derselben Stadt zu ersetzen.

(2) *Änderung der Bestellung oder Abberufung*. Die Emittentin behält sich das Recht vor, die Bestellung der Zahlstelle oder der Berechnungsstelle zu ändern oder zu beenden und eine andere oder zusätzliche Zahlstellen oder eine andere Berechnungsstelle zu bestellen. Die Emittentin wird jederzeit (i) eine im Europäischen Wirtschaftsraum konzessionierte Zahlstelle mit bezeichneter Geschäftsstelle in einer kontinentaleuropäischen Stadt und (ii) eine Berechnungsstelle unterhalten. Eine Änderung, Abberufung, Bestellung oder ein sonstiger Wechsel wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern die Anleihegläubiger hierüber gemäß § 11 vorab unter Einhaltung einer Frist von mindestens 30 und nicht mehr als 45 Tagen informiert wurden.

(3) *Beauftragte der Emittentin*. Die Zahlstelle und die Berechnungsstelle handeln ausschließlich als Beauftragte der Emittentin und übernehmen keinerlei Verpflichtungen gegenüber den Anleihegläubigern; es wird kein Auftrags- oder Treuhandverhältnis zwischen ihnen und den Anleihegläubigern begründet.

§ 7
STEUERN

(1) *Steuern*. Alle in Bezug auf die Schuldverschreibungen zu zahlenden Beträge (Kapital, Zinsen und zusätzliche Beträge) sind ohne Einbehalt an der Quelle oder Abzug an der Quelle von irgendwelchen gegenwärtigen oder zukünftigen Steuern, Gebühren oder Abgaben gleich welcher Art, die von oder in der Republik Österreich oder irgendeiner ihrer Gebietskörperschaften oder Behörden mit Steuerhoheit erhoben werden ("**Quellensteuer**"), zu zahlen, es sei denn, die Quellensteuer ist kraft Gesetzes oder einer sonstigen Rechtsvorschrift abzuziehen oder einzubehalten und an die zuständigen Behörden abzuführen. In diesem Fall trägt die Emittentin vorbehaltlich des Absatzes (2) diejenigen zusätzlichen Beträge, die erforderlich sind, dass die von jedem Anleihegläubiger zu empfangenden Nettobeträge nach einem solchen Abzug oder Einbehalt von Quellensteuer den Beträgen entsprechen, die der Anleihegläubiger ohne einen solchen Abzug oder Einbehalt von Quellensteuer erhalten hätte.

(2) *Keine zusätzlichen Beträge*. Die Emittentin ist jedoch zur Zahlung zusätzlicher Beträge wegen solcher Steuern, Gebühren oder Abgaben nicht verpflichtet:

(a) denen der Anleihegläubiger aus irgendeinem anderen Grund als der bloßen Tatsache unterliegt, dass er Anleihegläubiger ist und zwar insbesondere, wenn der Anleihegläubiger aufgrund einer persönlichen unbeschränkten oder beschränkten Steuerpflicht derartigen Quellensteuern unterliegt; oder

(b) die auf andere Weise als durch Einbehalt an der Quelle oder Abzug an der Quelle aus Zahlungen von Kapital oder etwaigen Zinsen zu entrichten sind; oder

(c) die aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (ii) einer zwischenstaatlichen Vereinbarung, eines zwischenstaatlichen Abkommens oder einer zwischenstaatlichen Verständigung über deren Besteuerung, an der die Republik Österreich oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung, Vereinbarung, Abkommen oder Verständigung umsetzt oder befolgt, abzuziehen oder einzubehalten sind.

§ 8
VERJÄHRUNG

[Ansprüche auf Zahlung aus fälligen Zinsen verjähren nach 3 Jahren ab Fälligkeit; Ansprüche aus fälligen Tilgungszahlungen verjähren nach 30 Jahren ab Fälligkeit.**]**

[Ansprüche auf Zahlung aus fälligen Zinsen verjähren nach 3 Jahren ab Fälligkeit; Ansprüche aus fälligen Tilgungszahlungen verjähren nach 10 Jahren ab Fälligkeit.**]**

§ 9
SCHULDNERERSETZUNG

(1) *Schuldnerersetzung*. Die Emittentin ist jederzeit berechtigt, ohne Zustimmung der Anleihegläubiger eine andere Gesellschaft, die als Emittentin unter diesem Programm ernannt wurde, als Emittentin (die "**Neue Emittentin**") hinsichtlich aller Verpflichtungen aus oder in Verbindung mit den Schuldverschreibungen an die Stelle der Emittentin zu setzen, sofern:

(a) die Neue Emittentin alle Verpflichtungen der Emittentin aus oder in Verbindung mit den Schuldverschreibungen übernimmt und, sofern eine Zustellung an die Neue Emittentin außerhalb der Republik Österreich erfolgen müsste, einen Zustellungsbevollmächtigten in der Republik Österreich bestellt; und

(b) die Emittentin und die Neue Emittentin alle etwa notwendigen Ermächtigungen und Genehmigungen für die Schuldnerersetzung und die Erfüllung der Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen von den zuständigen Behörden erhalten haben; und

(c) die Neue Emittentin in der Lage ist, sämtliche zur Erfüllung der aufgrund der Schuldverschreibungen bestehenden Zahlungsverpflichtungen erforderlichen Beträge in der Festgelegten Währung an das Clearing System zu zahlen, und zwar ohne Abzug oder Einbehalt von Steuern oder sonstigen Abgaben jedweder Art, die von dem Land (oder den Ländern), in dem (in denen) die Neue Emittentin ihren Sitz oder Steuersitz hat, auferlegt, erhoben oder eingezogen werden; und

(d) die Emittentin unwiderruflich die Verpflichtungen der Neuen Emittentin aus den Schuldverschreibungen zu Bedingungen garantiert, die sicherstellen, dass jeder Anleihegläubiger wirtschaftlich mindestens so gestellt wird, wie er ohne die Schuldnerersetzung stehen würde; und

(e) die Aufsichtsbehörde die Schuldnerersetzung genehmigt hat; und

(f) die Rückzahlungsbedingungen, die für die Schuldnerersetzung entsprechende Anwendung finden, zum Zeitpunkt der Schuldnerersetzung erfüllt sind.

(2) *Bezugnahmen*. Im Falle einer solchen Schuldnerersetzung gilt jede in diesen Anleihebedingungen enthaltene Bezugnahme auf die Emittentin fortan als auf die Neue Emittentin bezogen.

Klarstellend sei erwähnt, dass dies nur gilt, soweit sich nicht aus Sinn und Zweck der jeweiligen Bedingung ergibt, dass die Bezugnahme entweder weiterhin nur auf die Emittentin erfolgen soll (also insbesondere im Hinblick auf die anwendbaren Kapitalanforderungen der Emittentin, der Gruppe der Emittentin und/oder der Gruppe des WST-Versicherungsvereins, das Insolvenzereignis, das Obligatorische Zinszahlungsereignis, das Rechnungslegungsereignis, das Ratingagenturereignis), oder dass die Bezugnahme auf die Neue Emittentin und gleichzeitig auch auf die Emittentin im Hinblick auf deren Verpflichtungen aus der Garantie gemäß § 9(1)(d), erfolgen soll (Aufzahlungs-Ereignis, Steuerereignis und Besteuerung).

Im Fall einer Schuldnerersetzung gilt jede Bezugnahme auf die Republik Österreich in § 7 als eine solche auf den Staat, in welchem die Neue Emittentin steuerlich ansässig ist.

(3) *Mitteilung*. Eine Schuldnerersetzung gemäß § 9(1) ist für die Anleihegläubiger bindend und ist ihnen gemäß § 11 mit einer Frist von mindestens **[**15**]** **[*alternative Mitteilungsperiode einfügen*]** Geschäftstagen vor Inkrafttreten der Schuldnerersetzung mitzuteilen.

§ 10
RÜCKKAUF UND ENTWERTUNG

Sofern die Rückzahlungsbedingungen erfüllt sind, sind die Emittentin und jeder ihrer Tochtergesellschaften berechtigt, Schuldverschreibungen im Markt oder auf andere Weise zurückzukaufen. Zurückgekaufte oder auf andere Weise von der Emittentin oder einer Tochtergesellschaft erworbene Schuldverschreibungen werden eingezogen.

Sofern ein Rückkauf von Schuldverschreibungen durch die Emittentin und ihre Konzern- und Beteiligungsgesellschaften der Genehmigung durch die Aufsichtsbehörde bedarf, damit die Schuldverschreibungen weiterhin als Tier 2 anrechenbar sind, werden die Emittentin und ihre Konzern- und Beteiligungsgesellschaften einen Rückkauf nur mit Genehmigung der Aufsichtsbehörde vornehmen. Dies gilt jedoch nicht für Rückkäufe, soweit Konzern- und Beteiligungsgesellschaften der Emittentin die Schuldverschreibungen für fremde Rechnung oder für Sondervermögen im Sinne des Investmentfondsgesetzes 2011 (InvFG 2011) erwerben, es sei denn, die Anteile an diesen Sondervermögen werden mehrheitlich von der Emittentin oder einer ihrer Konzern- oder Beteiligungsgesellschaften gehalten. **[**Weiters gilt dies jedoch nicht **[*weitere Ausnahmen einfügen*].]**

§ 11
MITTEILUNGEN

[*Im Fall von Schuldverschreibungen, die an einer Börse notiert sind, einfügen:*

(1) *Bekanntmachung*.

[*Sofern eine Mitteilung durch Publikation in einer führenden Tageszeitung möglich ist, einfügen*: Alle die Schuldverschreibungen betreffenden Mitteilungen sind in einer führenden Tageszeitung mit allgemeiner Verbreitung in **[**Österreich**]** **[*anderen Ort einfügen*]**, voraussichtlich **[**Amtsblatt zur Wiener Zeitung**]** **[*andere Zeitung mit allgemeiner Verbreitung einfügen*]** in deutscher oder englischer Sprache zu veröffentlichen **[*Sofern zusätzlich eine Mitteilung durch elektronische Publikation auf der Website der betreffenden Börse(n) erfolgt:, einfügen:*** und werden über die Website der **[*betreffende Börse einfügen*]** unter **[*Website der Börse einfügen*]** veröffentlicht**]**. **[**Jede derartige Mitteilung gilt mit dem Tag der Veröffentlichung (oder bei mehreren Veröffentlichungen mit dem Tag der ersten solchen Veröffentlichung) als wirksam erfolgt.**]]**

[*Sofern eine Mitteilung durch Elektronische Publikation auf der Website der betreffenden Börse (wenn überhaupt) möglich ist, einfügen:* Alle die Schuldverschreibungen betreffenden Mitteilungen können auch durch elektronische Publikation auf der Website der **[*betreffende Börse einfügen*]** (http://www. **[*Internetadresse einfügen*]**). **[**Jede derartige Mitteilung gilt mit dem Tag der Veröffentlichung (oder bei mehreren Veröffentlichungen mit dem Tag der ersten solchen Veröffentlichung) als wirksam erfolgt.**]]**

[(2)**]** *Mitteilung an das Clearing System*.

[*Im Fall von Schuldverschreibungen, die nicht notiert sind, einfügen:* Die Emittentin wird alle die Schuldverschreibungen betreffenden Mitteilungen an das Clearing System zur Weiterleitung an die Anleihegläubiger übermitteln. Jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearing System als den Anleihegläubigern mitgeteilt.**]**

[*Im Fall von Schuldverschreibungen, die an einer Börse notiert sind, einfügen:* Die Emittentin ist berechtigt, eine Veröffentlichung nach Absatz 1 durch eine Mitteilung an das Clearing System zur Weiterleitung an die Anleihegläubiger zu ersetzen, vorausgesetzt, dass die Regeln der Börse, an der die Schuldverschreibungen notiert sind, diese Form der Mitteilung zulassen. Jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearing System als den Anleihegläubigern mitgeteilt.**]**

§ 12

ANWENDBARES RECHT, ERFÜLLUNGSORT, GERICHTSSTAND UND GERICHTLICHEGELTENDMACHUNG

(1) *Anwendbares Recht*. Die Schuldverschreibungen alle sich daraus ergebenden Rechte und Pflichten bestimmen sich nach österreichischem Recht, exklusive seiner Kollisionsnormen.

(2) *Gerichtsstand*. Nicht-ausschließlicher Gerichtsstand für alle sich aus den in diesen Anleihebedingungen geregelten Rechtsverhältnissen ergebenden Rechtsstreitigkeiten mit der Emittentin ist Wien, erster Gemeindebezirk.

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

[(4) *Kraftloserklärung*. Die österreichischen Gerichte sind ausschließlich zuständig für die Kraftloserklärung abhanden gekommener oder vernichteter Globalurkunden.**]**

§ 13
TEILUNWIRKSAMKEIT

[Sollte eine der vorstehenden Bestimmungen dieser Anleihebedingungen unwirksam oder undurchführbar sein oder werden, so bleibt die Wirksamkeit und die Durchführbarkeit der übrigen Bestimmungen hiervon unberührt. Anstelle der unwirksamen oder undurchführbaren Bestimmung soll eine, soweit rechtlich möglich, dem Sinn und Zweck dieser Anleihebedingungen zum Zeitpunkt der Begebung der Schuldverschreibungen entsprechende Regelung gelten. Unter Umständen, unter denen sich diese Anleihebedingungen als unvollständig erweisen, soll eine ergänzende Auslegung, die dem Sinn und Zweck dieser Anleihebedingungen entspricht, unter angemessener Berücksichtigung der berechtigten Interessen der beteiligten Parteien erfolgen.**]**

[*absichtlich frei gelassen*]

§ 14
SPRACHE

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

OPTION II: Subordinated Dated Notes

The English translation of the Terms and Conditions relating to the Notes does not form part of the Prospectus itself and has not been approved by the FMA. Further, the FMA did not review its consistency with the original Terms and Conditions.

§ 1
CURRENCY, DENOMINATION, FORM, TITLE, CERTAIN DEFINITIONS

(1) *Currency, Denomination.* VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe issues these notes (the "**Notes**") in **[*insert specified currency*]** (the "**Specified Currency**") in the aggregate principal amount of **[*insert aggregate principal amount*]** (in words: **[*insert aggregate principal amount in words*]**) (the "**Principal Amount**") and in a denomination of **[*insert Specified Denomination*]** (the "**Specified Denomination**").

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

(3) *Global Note*.

The Notes are initially represented by a temporary global note (the "**Temporary Global Note**") without coupons. The Temporary Global Note will be exchanged for a permanent global note (the "**Permanent Global Note**") without coupons on a date not earlier than 40 days and not later than 180 days after the date of issue of the Temporary Global Note. The Temporary Global Note and the Permanent Global Note (each a "**Global Note**") shall each be signed manually or in facsimile by two authorised signatories of the Issuer and shall each be authenticated by or on behalf of the Paying Agent. Definitive Notes and interest coupons will not be issued.

Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person (other than certain financial institutions or certain persons holding Notes through such financial institutions).

Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest.

Any such certification received on or after the 40th day after the date of issue of the Temporary Global Notes will be treated as a request to exchange such Temporary Global Note for the Permanent Global Note. Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in § 4(3)).

(4) *Clearing System.* Each Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer under the Notes have been satisfied. "**Clearing System**" means **[*if more than one Clearing System, insert:*** each of**]** the following: **[**Clearstream Banking AG, Frankfurt am Main ("**CBF**")**]** **[**Clearstream Banking, société anonyme, Luxembourg ("**CBL**")**]** **[**Euroclear Bank SA/NV ("**Euroclear**")**]** **[**CBL and Euroclear each an "**ICSD**" and together the "**ICSDs**"**]** **[**Oesterreichische Kontrollbank Aktiengesellschaft ("**OeKB**")**]** **[**,**]** **[**and**]** **[*specify other Clearing System*]** or any successor in respect of the functions performed by **[*if more than one Clearing System, insert:*** each of the Clearing Systems**]** **[*if one Clearing System, insert:*** the Clearing System**]**.

(5) *Noteholders.* "**Noteholder**" means any holder of a joint ownership share or similar right in the Global Note.

(6) *Title.*

(a) A Noteholder will (except as otherwise required by applicable laws or regulatory requirements) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof) and no person shall be liable for so treating such Noteholder.

(b) The transfer of title to Notes is effected by agreement on the transfer among the relevant parties and by delivery or otherwise in accordance with any applicable laws and regulations including the rules of any relevant Clearing System. References herein to "Noteholders" of Notes are to the bearers of such Notes.

(7) *Business Day*. In these Terms and Conditions, "**Business Day**" means a day which is a day (other than a Saturday or a Sunday) on which both (i) the Clearing System, and (ii) **[*if the Specified Currency is Euro insert:*** TARGET (as defined below) **[**and commercial banks and foreign exchange markets in **[*insert all relevant financial centres*]] [*if the Specified Currency is not Euro insert:*** commercial banks and foreign exchange markets in **[*insert all relevant financial centres*]]** settle payments.

[*If TARGET is applicable, insert:* "**TARGET**" means the Trans-European Automated Real-time Gross settlement Express Transfer payment system 2 or any successor system thereto.**]**

§ 2
STATUS

(1) *Status of the Notes*.

The Notes are intended to constitute Tier 2 upon or after the Solvency II Implementation Date.

The obligations of the Issuer under the Notes constitute direct, unsecured and subordinated obligations of the Issuer which rank:

(a) junior to all present or future unsubordinated instruments or obligations of the Issuer;

(b) *pari passu* among themselves, and at least *pari passu* with all other present or future unsecured instruments or obligations of the Issuer which rank, or are expressed to rank junior to all unsubordinated obligations or instruments (including obligations in relation to supplementary capital (*Ergänzungskapital*) pursuant to § 73c (2) of the Austrian Insurance Supervision Act) of the Issuer (the "**Parity Instruments**"); and

(c) senior to all present or future instruments or obligations of the Issuer which rank, or are expressed to rank, junior to the obligations of the Issuer under the Notes, including obligations in relation to, participation capital (*Partizipationskapital*) pursuant to § 73c (1) of the Austrian Insurance Supervision Act as well as share capital of any class and any other tier 1 own-fund item pursuant to Applicable Supervisory Law of the Issuer (all such obligations and shares, the "**Junior Instruments**").

In the event of the dissolution, liquidation, insolvency or any proceeding to avoid insolvency of the Issuer, payments will not be made under the Notes until all claims against the Issuer which pursuant to this § 2(1) are expressed to, or by operation of law, rank senior to the obligations of the Issuer under the Notes will first have been satisfied or secured in full.

The Noteholders declare that no insolvency proceedings against the Issuer are required to be opened in relation to the obligations of the Issuer under the Notes. The Notes do not contribute to a determination that the liabilities of the Issuer exceed its assets; therefore the obligations of the Issuer under the Notes, if any, will not contribute to the determination of over-indebtedness (*Überschuldung*) in accordance with § 67(3) of the Austrian Insolvency Act (*Insolvenzordnung - IO*).

Where:

"**Applicable Supervisory Law**" means (i) the provisions of Austrian insurance regulatory law, including (but not limited to) the Austrian Insurance Supervision Act; (ii) Solvency II, after the Solvency II Implementation Date; (iii) any regulations, standards, guidelines, rulings, decisions or other rules as well as generally recognised administrative practices of the Supervisory Authority; and/or (iv) any standards or guidelines of the European Insurance and Occupational Pensions Authority (*EIOPA*) or any such successor authority, in each case, regarding capital requirement purposes of the Issuer, the Issuer's group and/or the group of Wiener Städtische Wechselseitiger

Versicherungsverein – Vermögensverwaltung – Vienna Insurance Group (the "**WST-Versicherungsverein**") and as amended from time to time.

"**Austrian Insurance Supervision Act**" means the Austrian Insurance Supervision Act (*Versicherungsaufsichtsgesetz - VAG*), as amended from time to time.

"**Solvency II**" means the rules under (i) Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) (recast); (ii) any other respective legislative acts of the European Union, including (but not limited to) the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II); and/or (iii) Austrian law implementing the same, including (but not limited to) the Austrian Insurance Supervision Act 2016 (*Versicherungsaufsichtsgesetz 2016 – VAG 2016*), in each case, as amended from time to time.

"**Solvency II Implementation Date**" means the date on which Solvency II becomes part of the Applicable Supervisory Law, but not before 1 January 2016, or any later date, in case of a postponement of Solvency II.

"**Supervisory Authority**" means the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde - FMA*) or any successor authority responsible to supervise the Issuer, the Issuer's group and/or the group of WST-Versicherungsverein pursuant to the Applicable Supervisory Law.

"**Tier 2**" means tier 2 items pursuant to Solvency II eligible as own funds.

(2) *No right to set-off*.

The Noteholders may not set off any claims arising under the Notes against any claims that the Issuer may have against each of them. The Issuer may not set off any claims it may have against any Noteholder against any of its obligations under the Notes. **[**This provision shall not affect **[*insert exempted claims*].]**

§ 3
INTEREST

(1) *Fixed Interest Period*.

(a) *Fixed rate of interest and Fixed Interest Payment Dates*. The Notes bear interest on their Specified Denomination from and including **[*insert Interest Commencement Date*]** (the "**Interest Commencement Date**") to but excluding **[*insert First Call Date*]** (the "**First Call Date**") at the rate of **[*insert rate of interest*]**% per annum.

During such period, interest is scheduled to be paid in arrear on each Fixed Interest Payment Date and will be due and payable (*fällig*) in accordance with the conditions set out in § 3(3) and § 3(4).

"**Fixed Interest Payment Date**" means **[*insert Fixed Interest Payment Date(s)*]** in each year, commencing on **[*insert first Fixed Interest Payment Date*]**.

[*If the first Fixed Interest Payment Date is not first anniversary of Interest Commencement Date, the following applies:* The first payment of interest will amount to **[*insert initial Broken Interest Amount per Specified Denomination*]** per Specified Denomination.**]**

(b) *Day Count Fraction*. If interest is required to be calculated for any Fixed Rate Interest Period or part thereof, such interest shall be calculated on the basis of the Fixed Rate Day Count Fraction.

"**Fixed Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last day of such period) (the "**Calculation Period**"):

[*If "Actual / Actual (ICMA)" applies, the following applies*:

(i) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Periods normally ending in any year; and

(ii) if the Calculation Period is longer than one Determination Period, the sum of:

(A) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(B) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year.

Where:

"**Determination Date**" means each **[*insert Determination Date(s)*]**.

"**Determination Period**" means each period from and including a Determination Date in any year to but excluding the next Determination Date.**]**

[*If "Actual / Actual (ISDA)" applies, the following applies:* the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period not falling in a leap year divided by 365).**]**

[*If "Actual / 365 (Fixed)" applies, the following applies:* the actual number of days in the Calculation Period divided by 365.**]**

[*If "Actual / 360" applies, the following applies:* the actual number of days in the Calculation Period divided by 360.**]**

[*If "30 / 360" or "360 / 360" or Bond Basis applies, the following applies:* the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months unless (A) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (B) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).**]**

[*If "30E / 360" or "Eurobond Basis" applies, the following applies:* the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period).**]**

(2) *Floating Rate Interest Period*.

(a) Floating Interest Payment Dates.

(i) The Notes bear interest on their Specified Denomination at the rate *per annum* equal to the Floating Rate of Interest (as defined below) from and including the First Call Date to (but excluding) the first Floating Interest Payment Date (as defined below) and thereafter from (and including) each Floating Interest Payment Date to (but excluding) the next following Floating Interest Payment Date. During such period, interest is scheduled to be paid quarterly in arrears on each Floating Interest Payment Date, and will be due and payable (*fällig*) in accordance with the conditions set out in § 3(3) and § 3(4). The amount of interest to be paid shall be determined in accordance with § 3(2)(c).

(ii) "**Floating Interest Payment Date**" means, subject to the Business Day Convention,

[*In the case of Specified Interest Payment Dates insert:* [*insert Floating Specified Interest Payment Dates*] in each year.**]**

[*In the case of Specified Interest Periods insert:* each date which falls **[*insert number*] [**weeks**] [**months**]** after the preceding Floating Interest Payment Date or, in the case of the first Floating Interest Payment Date, after the First Call Date.**]**

(iii) "**Business Day Convention**" has the following meaning: If any Interest Payment Date would otherwise fall on a day which is not a Business Day, the Interest Payment Date shall be

[*in the case of Modified Following Business Day Convention (adjusted), the following applies:* postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day.**]**

[*in the case of FRN Convention (adjusted), the following applies:* postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (i) the Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment.**]**

[*in the case of Following Business Day Convention (adjusted), the following applies:* postponed to the next day which is a Business Day.**]**

[i*n the case of Preceding Business Day Convention (adjusted), the following applies:* the immediately preceding Business Day.**]**

[*If the Reference Rate is EURIBOR the following applies:*

(b) *Floating Rate of Interest*. The "**Floating Rate of Interest**" for each Floating Interest Period (as defined below) will be the Reference Rate (as defined below) plus the Margin (as defined below).

(i) The "**Reference Rate**" for each Floating Interest Period will, except as provided below, be:

(A) if there is only one offered quotation on the Screen Page (as defined below), the offered quotation; or

(B) if there is more than one offered quotation on the Screen Page, the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of such offered quotations,

(expressed as a percentage rate *per annum*) for deposits in Euro for that Floating Interest Period which appears or appear, as the case may be, on the Screen Page as of 11.00 a.m. (Brussels time) on the relevant Interest Determination Date (as defined below), all as determined by the Calculation Agent.

(ii) If the Screen Page is not available or if no such quotation appears as at such time, the Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency for the relevant Floating Interest Period and in a Representative Amount (as defined below) to prime banks in the Euro-Zone interbank market at approximately 11:00 a.m. (Brussels time) on the relevant Interest Determination Date. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Reference Rate for such Floating Interest Period shall be the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of such offered quotations, all as determined by the Calculation Agent.

(iii) If on the relevant Interest Determination Day only one or none of the selected Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Reference Rate for the relevant Floating Interest Period shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by major banks in the Euro-Zone interbank market, selected by the Calculation Agent acting in good faith, at which such banks offer, as at 11:00 a.m. (Brussels time) on the relevant Interest Determination Day, loans in the Specified Currency for the relevant Floating Interest Period and in a Representative Amount to leading European banks.

If the Reference Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Reference Rate shall be the offered quotation or the arithmetic mean of the offered quotations on the Screen Page, as described above, on the last day preceding the Interest Determination Date on which such quotations were offered.

Where:

"**Euro-Zone**" means the region comprised of those member states of the European Union that have adopted, or will have adopted from time to time, the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 07 February 1992) and the Amsterdam Treaty of 02 October 1997, as further amended from time to time.

"**Floating Interest Period**" means each period from and including the First Call Date to but excluding the first Floating Interest Payment Date and each successive period from and including a Floating Interest Payment Date to but excluding the following Floating Interest Payment Date.

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

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

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

"**Margin**" means **[*insert number*]**% *per annum*.

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

"**Reference Banks**" means in the case of § 3(2)(b)(i)(A) above, those offices of four of such banks whose offered rates were used to determine such quotation when such quotation last appeared on the Screen Page and, in the case of § 3(2)(b)(i)(B) above, those banks whose offered quotations last appeared on the Screen Page when no fewer than three such offered quotations last appeared.

"**Screen Page**" means Reuters screen page EURIBOR01 or such other screen page of Reuters or such other information service which is the successor to Reuters screen page EURIBOR01.

"**TARGET Business Day**" means a day on which the Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET) is operating.**]**

[*If the Reference Rate is LIBOR, the following applies:*

(b) *Floating Rate of Interest*. The "**Floating Rate of Interest**" for each Floating Interest Period (as defined below) will be the Reference Rate (as defined below) plus the Margin (as defined below).

(i) The "**Reference Rate**" for each Floating Interest Period will, except as provided below, be:

(A) if there is only one offered quotation on the Screen Page (as defined below), the offered quotation; or

(B) if there is more than one offered quotation on the Screen Page, the arithmetic mean (rounded if necessary to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards) of such offered quotations,

(expressed as a percentage rate *per annum*) for deposits in the Specified Currency for that Floating Interest Period which appears or appear, as the case may be, on the Screen Page as of 11.00 a.m. (London time) on the relevant Interest Determination Date (as defined below) plus the Margin (as defined below), all as determined by the Calculation Agent.

(ii) If the Screen Page is not available or if no such quotation appears as at such time, the Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency for the relevant Floating Interest Period and in a Representative Amount (as defined below) to prime banks in the London interbank market at approximately 11:00 a.m. (London time) on the relevant Interest Determination Date. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Reference Rate for such Floating Interest Period shall be the arithmetic mean (rounded if necessary to the nearest one hundred thousandth of a percentage point, with 0.000005 being rounded upwards) of such offered quotations, all as determined by the Calculation Agent.

(iii) If on the relevant Interest Determination Day only one or none of the selected Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Reference Rate for the relevant Floating Interest Period shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards) of the rates, as communicated to and at the request of the Calculation Agent by major banks in the London interbank market, selected by the Calculation Agent acting in good faith, at which such banks offer, as at 11:00 a.m. (London time) on the relevant Interest Determination Date, loans in the Specified Currency for the relevant Floating Interest Period and in a Representative Amount to leading European banks.

If the Reference Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Reference Rate shall be the offered quotation or the arithmetic mean of the offered quotations on the Screen Page, as described above, on the last day preceding the Interest Determination Date on which such quotations were offered.

Where:

"**Floating Interest Period**" means each period from and including the First Call Date to but excluding the first Floating Interest Payment Date and each successive period from and including a Floating Interest Payment Date to but excluding the following Floating Interest Payment Date.

"**Interest Determination Date**" the **[**first**] [**second**]** London Business Day prior to the commencement of the relevant Floating Interest Period.

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

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

"**London Business Day**" means a day which is a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency) in London.

"**Margin**" means **[*insert number*]**% *per annum*.

"**Reference Banks**" means in the case of § 3(2)(b)(i)(A) above, those offices of four of such banks whose offered rates were used to determine such quotation when such quotation last appeared on the Screen Page and, in the case of § 3(2)(b)(i)(B) above, those banks whose offered quotations last appeared on the Screen Page when no fewer than three such offered quotations last appeared.

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

"**Screen Page**" means Reuters screen page LIBOR01 or such other screen page of Reuters or such other information service which is the successor to Reuters screen page LIBOR01.**]**

(c) *Floating Interest Amount*. The Calculation Agent will, on or as soon as practicable after each date at which the Floating Rate of Interest is to be determined, calculate the amount of interest (the "**Interest Amount**") scheduled to be paid on the Notes in respect of each Specified Denomination for the relevant Floating Interest Period. Each Floating Interest Amount shall be calculated by applying the Floating Rate of Interest and the Floating Day Count Fraction (as defined below) to each Specified Denomination and rounding the resulting figure **[*if the Specified Currency is Euro insert:*** to the nearest 0.01 Euro, 0.005 Euro being rounded upwards.**] [*if the Specified Currency is not Euro insert:*** to the nearest minimum unit of the Specified Currency, with 0.5 of such unit being rounded upwards.**]**

"**Floating Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any Calculation Period:

[*If "Actual / Actual (ISDA)" applies, the following applies:* the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period not falling in a leap year divided by 365).**]**

[*If "Actual / 365 (Fixed)" applies, the following applies:* the actual number of days in the Calculation Period divided by 365.**]**

[*If "Actual / 360" applies, the following applies:* the actual number of days in the Calculation Period divided by 360.**]**

[*If "30 / 360" or "360 / 360" or Bond Basis applies, the following applies:* the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months unless (A) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (B) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).**]**

[If "30E / 360" or "Eurobond Basis" applies, the following applies: the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period).**]**

[*If the Reference Rate is EURIBOR, the following applies:*

(d) *Notifications*. The Calculation Agent will cause the Floating Rate of Interest, each Floating Interest Amount for each Floating Interest Period, each Floating Interest Period and the relevant Floating Interest Payment Date to be notified to the Issuer and to the Noteholders by notice in accordance with § 11 as soon as possible after their determination, but in no event later than the TARGET-Business Day thereafter and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange, as soon as possible after their determination, but in no event later than the first day of the relevant Floating Interest Period. Each Floating Interest Amount and Floating Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Floating Interest Period. Any such amendment will be promptly notified to any stock exchange on which the Notes are then listed and to the Noteholders in accordance with § 11.**]**

[*If the Reference Rate is LIBOR, the following applies:*

(d) *Notifications*. The Calculation Agent will cause the Floating Rate of Interest, each Floating Interest Amount for each Floating Interest Period, each Floating Interest Period and the relevant Floating Interest Payment Date to be notified to the Issuer and to the Noteholders by notice in accordance with § 11 as soon as possible after their determination, but in no event later than the London Business Day thereafter and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange, as soon as possible after their determination, but in no event later than the first day of the relevant Floating Interest Period. Each Floating Interest Amount and Floating Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Floating Interest Period. Any such amendment will be promptly notified to any stock exchange on which the Notes are then listed and to the Noteholders in accordance with § 11.**]**

(e) *Determinations Binding*. All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 3(2) by the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Paying Agent and the Noteholders.

(3) *Due date for interest payments, optional and compulsory deferral of interest payments*.

(a) Interest which accrues during an Interest Period ending on but excluding a Compulsory Interest Payment Date (as defined below) will be due and payable (*fällig*) on such Compulsory Interest Payment Date.

(b) Interest which accrues during an Interest Period ending on but excluding an Optional Interest Payment Date (as defined below) will be due and payable (*fällig*) on that Optional Interest Payment Date, unless the Issuer elects, by giving not less than 10 and not more than 15 Business Days' notice to the Noteholders prior to the relevant Interest Payment Date in accordance with § 11, to defer the relevant payment of interest.

If the Issuer elects to defer, in whole or in part, accrued interest on an Optional Interest Payment Date, then it will not have any obligation to pay accrued interest on such Optional Interest Payment Date or will only be obliged to pay such part of the accrued interest it elects not to defer, respectively. Any such non-payment will not constitute a default of the Issuer or any other breach of its obligations under the Notes or for any other purpose.

(c) If a Mandatory Suspension Event has occurred with respect to any Interest Payment Date, interest which accrued during the period ending on but excluding such Interest Payment Date will not be due and payable (*fällig*) on that Interest Payment Date. The Issuer will give notice to the Noteholders of the occurrence of the Mandatory Suspension Event in accordance with § 11 as soon as possible after its determination but in no event later than on the fourth Business Day following the relevant Interest Payment Date. Any such non-payment will not constitute a default of the Issuer or any other breach of its obligations under the Notes or for any other purpose.

(d) Accrued interest in respect of an Interest Period not due and payable in accordance with this § 3(3) will constitute arrears of interest ("**Arrears of Interest**").

Noteholders will not receive any interest or other compensation in case of an optional deferral of interest payments. In particular, Arrears of Interest will not bear interest.

Where:

"**Applicable Insolvency Law**" means the provisions of the relevant insolvency laws, including (but not limited to) the Austrian the Austrian Insolvency Code (*Insolvenzordnung* - *IO*), and any rules and regulations thereunder (including any applicable decision of a court) applicable to the Issuer as amended from time to time.

An "**Insolvency Event**" will have occurred in respect of a payment of interest, Arrears of Interest or principal on the Notes or a repurchase of the Notes, if the Issuer would become insolvent in accordance with the Applicable Insolvency Law as a result thereof.

"**Compulsory Interest Payment Date**" means any Interest Payment Date in respect of which a Compulsory Interest Payment Event occurred during twelve months before the relevant Interest Payment Date, and in respect of which no Mandatory Suspension Event has occurred and is continuing.

A "**Mandatory Suspension Event**" will have occurred with respect to the date on which any payment of interest and/or Arrears of Interest is scheduled to be paid under these Terms and Conditions, if:

(a) such payment would result in, or accelerate, the occurrence of an Insolvency Event; or

(b) the Supervisory Authority has prohibited the Issuer from making payments under the Notes; or

(c) a Solvency Capital Event either has occurred on or prior to such date and is continuing on such date or would be caused by such payment by the Issuer of interest and/or Arrears of Interest on the relevant date, unless:

   (i) on or prior to such date the Supervisory Authority has exceptionally given, and not withdrawn by such date, its prior approval to the payment of the relevant interest and/or Arrears of Interest despite the Solvency Capital Event; and

   (ii) the payment of the relevant interest and/or Arrears of Interest on the Notes does not further weaken the solvency position of the Issuer, the Issuer's group and/or the WST-Versicherungsverein's group; and

   (iii) the minimum capital requirement (MCR) (howsoever described in the Applicable Supervisory Law) pursuant to the Applicable Supervisory Law is complied with after the payment of the relevant interest and/or Arrears of Interest is made.

"**Compulsory Interest Payment Event**" means any of the following events:

(i) the most recent ordinary general meeting of shareholders (*ordentliche Hauptversammlung*) of the Issuer has validly resolved on any dividend, other distribution or payment in respect of any Junior Instruments or Parity Instruments; or

(ii) any payment on account of the balance sheet profit has been made by the Issuer since the most recent ordinary general meeting of shareholders of the Issuer; or

(iii) the Issuer, directly or indirectly through any of its subsidiaries, has repurchased for cash shares of any class (with the exception of repurchases in connection with stock option or stock ownership programmes for management or employees of the Issuer or affiliates of the Issuer made in the ordinary course of business).

"**Optional Interest Payment Date**" means each Interest Payment Date in respect of which no Compulsory Interest Payment Event occurred during the twelve months before the relevant Interest Payment Date, and in respect of which no Mandatory Suspension Event has occurred and is continuing.

A "**Solvency Capital Event**" will have occurred if the own funds (howsoever described in the Applicable Supervisory Law) of the Issuer, the Issuer's group and/or the WST-

Versicherungsverein’s group are not sufficient to cover the solvency capital requirement (SCR) or the minimum capital requirement (MCR) or any other applicable capital requirements (in each case, howsoever described in the Applicable Supervisory Law), whichever occurs earlier, pursuant to the Applicable Supervisory Law, and if a deferral of interest or a non-payment of Arrears of Interest or a non-repayment of principal or non-repurchase is required, respectively, pursuant to the Applicable Supervisory Law for the Notes to be eligible as Tier 2 of the Issuer, the Issuer's group and/or the WST-Versicherungsverein’s group.

(4) *Payment of Arrears of Interest*.

(a) *Optional payment of Arrears of Interest*.

The Issuer will be entitled to pay outstanding Arrears of Interest (in whole or in part) at any time if the Conditions to Settlement (as defined below) are fulfilled with respect to such payment.

If the Issuer elects to pay outstanding Arrears of Interest (in whole or in part), it will give not less than 10 and not more than 15 Business Days' notice to the Noteholders in accordance with § 11 which notice will specify (i) the amount of Arrears of Interest to be paid and (ii) the date fixed for such payment (the "**Optional Settlement Date**").

Upon such notice being given, the amount of Arrears of Interest specified therein will become due and payable (*fällig*), and the Issuer will be obliged to pay such amount of Arrears of Interest on the Optional Settlement Date if on such date the Conditions to Settlement (as defined below) are fulfilled with respect to the relevant payment.

(b) *Compulsory payment of Arrears of Interest*.

Subject to § 3(4)(c) below, the Issuer must pay outstanding Arrears of Interest (in whole but not in part) on the next Compulsory Settlement Date (as defined below).

(c) If on an Optional Settlement Date or a Compulsory Settlement Date, the Conditions to Settlement, to the extent required, are not fulfilled, Arrears of Interest scheduled to be paid on such date will not become due and payable (*fällig*) on the relevant Optional Settlement Date or Compulsory Settlement Date, as the case may be. The Issuer will give notice to the Noteholders regarding the non-fulfilment of the Conditions to Settlement in accordance with § 11 as soon as possible after its determination but in no event later than on the fourth Business Day following the relevant Optional Settlement Date or Compulsory Settlement Date. Any such non-payment will not constitute a default of the Issuer or any other breach of its obligations under the Notes or for any other purpose.

Where:

"**Compulsory Settlement Date**" means the earlier of:

(i) the next Interest Payment Date following the date on which a Compulsory Interest Payment Event occurred, and in respect of which the Conditions to Settlement are fulfilled;

(ii) the date on which the Notes fall due for redemption; or

(iii) the date on which an order is made for the winding up, dissolution or liquidation of the Issuer (other than for the purposes of or pursuant to an amalgamation, reorganization or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer).

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

(i) on such day no Mandatory Suspension Event has occurred and is continuing; and

(ii) on or prior to such day, the Supervisory Authority has given, and not withdrawn, its approval to the relevant payment, provided under the Applicable Supervisory Law such approval is required at the time in order for the Notes to qualify as Tier 2 of the Issuer, the

Issuer's group and/or the WST-Versicherungsverein's group.

(5) *End of interest accrual.*

The Notes will cease to bear interest from the end of the day immediately preceding the due date for redemption. If the Issuer fails to redeem the Notes when due, interest shall continue to accrue on the outstanding principal amount of the Notes beyond the due date until the end of the day preceding the day of the actual redemption of the Notes. The applicable rate of interest will be determined in accordance with § 3. This does not affect any additional rights that might be available to the Noteholders.

§ 4
PAYMENTS

(1)(a) *Payment of Principal*. Payment of principal in respect of the Notes shall be made, subject to paragraph (2) below, to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System upon presentation and (except in the case of partial payment) surrender of the Global Note representing the Notes at the time of payment at the specified office of the Paying Agent outside the United States.

(b) *Payment of Interest*. Payment of interest on Notes shall be made, subject to paragraph (2) below, to the Clearing System or to its order for credit to the relevant accountholders of the Clearing System.

(2) *Manner of Payment.* Payments of amounts due in respect of the Notes shall be made in the freely negotiable and convertible currency which on the respective due date is the currency of the country of the Specified Currency or, if the Specified Currency is Euro, Austria.

All payments will be subject in all cases to any applicable fiscal and other laws, directives and regulations or other laws to which the Issuer or the Paying Agent, as the case may be, agree to be subject, and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, directives, regulations or agreements, but without prejudice to the provisions of § 7.

(3) *United States.* "**United States**" means the United States of America (including the States thereof and the District of Columbia) and its territories (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands) and possessions and other areas subject to its jurisdiction.

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

(5) *Payment Business Day.* If the due date for payment of any amount in respect of any Note is not a Payment Business Day then the Noteholder shall not be entitled to payment until the next such day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

For these purposes, "**Payment Business Day**" means a day which is

[*if the Specified Currency is not Euro, the following applies:* a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in **[*insert all relevant financial centres*].]**

[*if the Specified Currency is Euro, the following applies:* a day (other than a Saturday or a Sunday) on which both (i) the Clearing System, and the Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET) are open to effect payments.**]**

§ 5
REDEMPTION

(1) *Redemption at Maturity*.

To the extent not previously redeemed, the Notes will be redeemed at the Redemption Amount per Note on the Final Maturity Date.

Where:

"**Final Maturity Date**" means either (i) if on the Scheduled Maturity Date the Conditions to Redemption (as defined below) are fulfilled, the Scheduled Maturity Date; or (ii) the first Floating Interest Payment Date following the Scheduled Maturity Date on which the Conditions to Redemption are fulfilled.

"**Scheduled Maturity Date**" means the Floating Interest Payment Date falling in **[*insert redemption month/year for Scheduled Maturity Date*]**.

(2) *No Redemption at the Option of a* Noteholder*.*

The Noteholders do not have a right to demand the redemption of the Notes.

(3) *Early Redemption upon Early Redemption Events*.

The Issuer may, upon prior notice in accordance with § 5(6) and subject to the Conditions to Redemption being fulfilled on the date fixed for redemption, repay or redeem the Notes (in whole, but not in part) at their Redemption Amount at any time in case of an Early Redemption Event.

Where:

An "**Accounting Event**" occurs, if the Issuer must not or must no longer record the obligations under the Notes for the payment of principal as liabilities on the consolidated balance sheet.

An "**Early Redemption Event**" occurs, if: (i) on or after the Issue Date, a Regulatory Event occurs; or (ii) on or after the fifth anniversary date of the Issue Date, a Gross-up Event, a Tax Event, an Accounting Event or a Rating Agency Event occurs.

A "**Gross-up Event**" occurs, if the Issuer has or will become obliged to pay additional amounts on the Notes as a result of any change in law or interpretation. No such call notice may be given earlier than 90 days prior to the earliest date on which the Issuer would be for the first time obliged to pay the additional amounts on the Notes.

A "**Rating Agency Event**" occurs, if as a consequence of a change in the rating methodology of Standard & Poor's Credit Market Services Europe Limited, a subsidiary of The McGraw Hill Companies, Inc. ("**S&P**") or its interpretation the Notes would no longer be eligible for the same or a higher category of "equity credit" attributed to the Notes at their Issue Date as confirmed in writing by S&P to the Issuer or as published by S&P.

A "**Regulatory Event**" occurs, if it is permitted under the Applicable Supervisory Law to use Tier 2 as own funds for capital requirement purposes of the Issuer, the Issuer's group and/or the WST-Versicherungsverein's group, and the Supervisory Authority or the Issuer' statutory auditor states in writing or otherwise confirms to the Issuer that:

(A) under the Applicable Supervisory Law the Notes (in whole or in part) would not be eligible as Tier 2 for capital requirement purposes of the Issuer, the Issuer's group and/or the WST-Versicherungsverein's group; or

(B) under the Applicable Supervisory Law and due to a change in such Applicable Supervisory Law, the Notes (in whole or in part) would no longer be eligible as Tier 2 for capital requirement purposes of the Issuer, the Issuer's group and/or the WST-Versicherungsverein's group, provided that upon the Solvency II Implementation Date, the Notes have been eligible as Tier 2 for capital requirement purposes of the Issuer, the Issuer's group and/or the WST-Versicherungsverein's group,

except where in each case (A) and (B) this results from exceeding any applicable limits for including the Notes in Tier 2 or own funds of higher quality of the Issuer, the Issuer's group and/or the WST-Versicherungsverein's group pursuant to the Applicable Supervisory Law.

A "**Tax Event**" occurs if interest payable by the Issuer in respect of the Notes is no longer, or within 90 days after the date of the opinion of a recognised independent tax counsel to be delivered in this respect will no longer be, fully deductible by the Issuer for Austrian income tax purposes.

(4) *Early Redemption at the Option of the Issuer.*

The Issuer may, upon prior notice in accordance with § 5(6) and subject to the Conditions Redemption being fulfilled on the date fixed for redemption, redeem the Notes (in whole, but not in part) at their Redemption Amount on the First Call Date and on each following Interest Payment Date.

(5) *Conditions to Redemption.*

The "**Conditions to Redemption**" are fulfilled on any day with respect to a scheduled redemption or a planned repurchase of the Notes, if:

(a) a redemption payment or a repurchase would not result in, or accelerate, the occurrence of an Insolvency Event; and

(b) no Solvency Capital Event has occurred and is continuing or would be caused by the redemption or the repurchase of the Notes, unless:

    (i) the Supervisory Authority has exceptionally given, and not withdrawn by such date, its prior approval to the redemption of the Notes and the payment of the Redemption Amount or to the repurchase of the Notes despite the Solvency Capital Event; and

    (ii) the capital is replaced by another tier 1 or tier 2 basic own-fund item of at least the same quality with the approval of the Supervisory Authority; and

    (iii) the minimum capital requirement (MCR) (howsoever described in the Applicable Supervisory Law) pursuant to the Applicable Supervisory Law is complied with after the redemption of the Notes and the payment of the Redemption Amount or the repurchase of the Notes is made; and

(c) the Supervisory Authority has given, and not withdrawn by such day, its prior approval to redeem or repurchase the Notes; and

(d) in the event of a redemption or a repurchase of the Notes prior to the First Call Date, the capital has been replaced by another tier 1 or tier 2 basic own-fund item of at least the same quality (if such replacement is required at that time for the Notes to be eligible as Tier 2 of the Issuer, the Issuer's group and/or the WST-Versicherungsverein group under the Applicable Supervisory Law).

At any time the Issuer may, by publishing a notice to the Noteholders, waive any, some or all of its rights to call the Notes for redemption for the period of time as specified in the notice. In this case, these Terms and Conditions shall be deemed to be amended accordingly and the Issuer will not be entitled to call the Notes for redemption during the period of time as specified in such notice.

(6) *Notification of Early Redemption*.

The Issuer will give not less than 30 nor more than 60 days' notice to the Noteholders in accordance with § 11 of any early redemption pursuant to § 5(3) or § 5(4).

The notice of early redemption must state the specified redemption date and the facts which establish the right of the Issuer to redeem the Notes.

(7) *Redemption Amount.*

"**Redemption Amount**" means an amount per Note equal to the Specified Denomination plus any interest accrued on such Note to but excluding the date of redemption but yet unpaid and, for the avoidance of doubt, any Arrears of Interest due on such Note.

§ 6
PAYING AGENT AND CALCULATION AGENT

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

Paying Agent: **[**Erste Group Bank AG, Graben 21, A-1010 Vienna, Austria**] [*insert other*]**.

Calculation Agent: [Erste Group Bank AG, Graben 21, A-1010 Vienna, Austria**] [*insert other*]**.

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

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

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

§ 7
TAXATION

(1) *Taxation.* All amounts payable (whether in respect of principal, interest or otherwise) in respect of the Notes will be made free and clear of and without withholding at source or deduction at source for or on account of any present or future taxes, fees, duties, assessments or governmental charges of whatever nature which are imposed or levied by or on behalf of the Republic of Austria or any political subdivision thereof or any authority or agency therein or thereof having power to tax ("**Withholding Tax**") (*Quellensteuer*), unless Withholding Tax is to be deducted or withheld by law or other regulations and to be paid to the responsible authorities. In such event, the Issuer will pay such additional amounts as may be necessary, subject to paragraph (2) below, in order that the net amounts receivable by the Noteholder after the withholding or deduction of such Withholding Tax shall equal the respective amounts which would have been received by such Noteholder had no such Withholding Tax been required.

(2) *No Additional Amounts.* However, the Issuer shall not be obliged to pay any additional amounts on account of any such taxes, fees, duties, assessments or governmental charges:

(a) which the Noteholder is subject to for any reason other than the mere fact of being a Noteholder, including if the Noteholder is subject to such Withholding Tax based on a personal unlimited or limited tax liability; or

(b) which are to be paid on payments of principal and interest, if any, by any means other than withholding at source or deduction at source; or

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

§ 8
STATUTE OF LIMITATIONS

[The limitation period shall be three years in respect of interest due and 30 years in respect of principal due.**] [**The limitation period shall be three years in respect of interest due and ten years in respect of principal due.**]**

§ 9
SUBSTITUTION

(1) *Substitution.* The Issuer shall be entitled at any time without the consent of the Noteholders to be substituted as Issuer by any other company appointed as Issuer under this Programme (the "**New Issuer**") in respect of all obligations arising from or in connection with the Notes, if:

(a) the New Issuer assumes all obligations of the Issuer arising from or in connection with the Notes and, if service of process vis-à-vis the New Issuer would have to be effected outside the Republic of Austria, appoints a process agent within the Republic of Austria; and

(b) the Issuer and the New Issuer have obtained any authorisations and approvals from the competent authorities necessary for the substitution and the fulfilment of the obligations arising under or in connection with the Notes; and

(c) the New Issuer is in the position to pay to the Clearing System in the Specified Currency and without deducting or withholding any taxes or other duties of whatever nature imposed, levied or deducted by the country (or countries) in which the New Issuer has its domicile or tax residence all amounts required for the performance of the payment obligations arising from or in connection with the Notes; and

(d) the Issuer irrevocably guarantees such obligations of the New Issuer under the Notes on terms which ensure that each Noteholder will be put in an economic position that is at least as favourable as that which would have existed if the substitution had not taken place; and

(e) the Supervisory Authority has given its prior approval thereto; and

(f) the Conditions to Redemption, which shall apply mutatis mutandis to the substitution, are fulfilled at the time of the substitution.

(2) *Change of References.* In the event of such substitution, any reference in these Terms and Conditions of the Notes to the Issuer shall from then on be deemed to refer to the New Issuer.

For the avoidance of doubt this shall apply only to the extent that the meaning and purpose of the relevant condition requires that the relevant reference shall continue to be a reference only to the Issuer (i.e. in particular in relation to the capital requirements applicable to the Issuer, the Issuers' group and/or the group of WST-Versicherungsverein, the Insolvency Event, the Compulsory Interest Payment Event, the Accounting Event, the Rating Agency Event) or that the reference shall be to the New Issuer and the Issuer, in relation to its obligations under the guarantee pursuant to § 9(1)(d), at the same time (Gross-up Event, Tax Event and Taxation).

In the event of a substitution any reference to the Republic of Austria in § 7 shall be a reference to the New Issuer's country of domicile for tax purposes.

(3) *Notice.* Any substitution effected in accordance with subparagraph 1 of this § 9 shall be binding on the Noteholders and shall be notified to them in accordance with § 11 not less than **[**15**] [*****if alternative notice period insert*****]** Business Days before such substitution comes into effect.

§ 10
PURCHASES AND CANCELLATION

Subject to the Conditions to Redemption being fulfilled the Issuer and any of its subsidiaries may purchase Notes in the market or otherwise. Notes purchased or otherwise acquired by the Issuer or any of the subsidiaries will be cancelled.

Insofar as a repurchase of Notes by the Issuer and its group and affiliated companies requires the approval of the Supervisory Authority in order to ensure the further application of the Notes as Tier 2, the Issuer and its group and affiliated companies shall effect any purchase only with the approval of the Supervisory Authority. This shall not apply to any purchase by group and affiliated companies of the Issuer acquiring the Notes for the account of a third party or for funds in the meaning of the Austrian Investment Funds Act 2011 (*Investmentfondsgesetz 2011 – InvFG 2011*), unless the majority of the shares in the relevant fund are held by the Issuer or one of its group or affiliated companies. **[**Furthermore, this shall not apply to **[*****insert further exemptions*****].]**

§ 11
NOTICES

[*In the case of Notes which are listed on a Stock Exchange, insert:*

(1) *Publication.*

[*If notices may be given by means of a leading daily newspaper, insert:* All notices concerning the Notes will be published in a leading daily newspaper having general circulation in **[**Austria**] [*specify other location*]**. This newspaper is expected to be the **[***Amtsblatt zur Wiener Zeitung***] [*insert other applicable newspaper having general circulation*]** in the German or English language **[*If notices may be given additionally by means of electronic publication on the website of the relevant stock exchange(s), insert:*** **[**and will be published on the website of **[*insert relevant stock exchange*]** under **[*insert website of the stock exchange*]. [**Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the date of the first such publication).**]]**

[*If notices may be given exclusively by means of electronic publication on the website of the relevant stock exchange (if any), insert:* All notices concerning the Notes can also be made by means of electronic publication on the website of the **[*insert relevant stock exchange*]** (http://www.**[*insert internet address*]**). **[**Any notice so given will be deemed to have been validly given on the day of such publication (or, if published more than once, on the first day of such publication).**]]**

[(2)**]** *Notification to Clearing System.*

[*In the case of Notes which are unlisted, insert:* The Issuer shall deliver all notices concerning the Notes to the Clearing System for communication by the Clearing System to the Noteholders. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which said notice was given to the Clearing System.**]**

[*In the case of Notes which are listed on a Stock Exchange, insert:* The Issuer may, in lieu of publication set forth in subparagraph (1) above, deliver the relevant notice to the Clearing System, for communication by the Clearing System to the Noteholders, provided that the rules of the stock exchange on which Notes are listed permit such form of notice. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which said notice was given to the Clearing System.**]**

§ 12
APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT

(1) *Applicable Law.* The Notes and all the rights and duties arising therefrom shall be governed by Austrian law, with the exception of its conflict of law rules.

(2) *Submission to Jurisdiction.* Non-exclusive court of venue for all litigation with the Issuer arising from the legal relations established in these Terms and Conditions is Vienna, first district.

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

other way which is permitted in the country in which the proceedings are initiated.

[(4) *Annulment.* The Austrian courts shall have exclusive jurisdiction over the annulment of lost or destroyed Global Notes.**]**

§ 13
PARTIAL INVALIDITY

[Should any of the provisions contained in these Terms and Conditions of the Notes be or become invalid or unenforceable, the validity or enforceability of the remaining provisions shall not in any way be affected or impaired thereby. In this case, the invalid or unenforceable provision shall be deemed to be replaced by a provision which to the extent legally possible provides for an interpretation in keeping with the meaning and the economic purpose of these Terms and Conditions of the Notes at the time of the issue of the Notes. Under circumstances in which these Terms and Conditions of the Notes prove to be incomplete, a supplementary interpretation in accordance with the meaning and the purpose of these Terms and Conditions of the Notes under due consideration of the legitimate interests of the parties involved shall be applied.**]**

[*intentionally left blank*]

§ 14
LANGUAGE

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

FORM OF FINAL TERMS

FORM OF FINAL TERMS / MUSTER ENDGÜLTIGE BEDINGUNGEN

The English language parts of the Form of Final Terms do not form part of the Prospectus itself and have not been approved by the FMA. Further, the FMA did not review their consistency with the original Final Terms.

[These Final Terms have been prepared for the purpose of Art. 5 (4) of the Prospectus Directive and must be read in conjunction with the relevant Prospectus as supplemented from time to time (the "**Prospectus**") pertaining to the EUR 400,000,000 Subordinated Notes Programme (the "**Programme**") of VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe (the "**Issuer**"). The Prospectus and any supplements thereto are available for viewing in electronic form on the website of the Issuer (http://www.vig.com/Subordinated-Notes-Programme-2015) and copies of the Prospectus and any supplement thereto may be obtained free of charge during normal business hours at the registered office of the Issuer (Schottenring 30, 1010 Vienna). Full information on the Issuer and the Notes is only available on the basis of the combination of the Prospectus, any supplements thereto and these Final Terms.**] [**A summary of this issue is annexed to these Final Terms.**]**

*Diese endgültigen Bedingungen wurden für die Zwecke des Artikels 5 Absatz 4 der Prospektrichtlinie abgefasst und müssen in Verbdingung mit dem maßgeblichen Prospekt, wie allenfalls um Nachträge ergänzt (der "**Prospekt**"), betreffend das EUR 400,000,000 Subordinated Notes Programme (das "**Programm**") der VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe (die "**Emittentin**"), gelesen werden. Der Prospekt einschließlich allfälliger Nachträge sind zur Ansicht in elektronischer Form auf der Website der Emittentin (*http://www.vig.com/Nachrangiges-Emissionsprogramm-2015*) verfügbar und Kopien dieser Dokumente stehen Interessenten kostenfrei während üblicher Geschäftszeiten an der Geschäftsadresse der Emittentin (Schottenring 30, 1010 Wien) zur Verfügung. Vollständige Informationen in Bezug auf die Emittentin und die Schuldverschreibungen sind nur in der Gesamtheit des Prospekts einschließlich allfälliger Nachträge und dieser Endgültigen Bedingungen enthalten.* **[***Eine emissionsspezifische Zusammenfassung ist diesen Endgültigen Bedingungen angeschlossen.***]**

Final Terms
Endgültige Bedingungen

[Date/*Datum***]**

[Subordinated Undated/Dated Notes (insert further of relevant Series and Tranche of Notes)**]**
issued pursuant to the

[*Nachrangige Unbefristete/Befristete Schuldverschreibungen (weitere Bezeichnung der betreffenden Serie und Tranche der Schuldverschreibungen einfügen)***]**
begeben aufgrund des

Euro 400,000,000 Subordinated Debt Issuance Note Programme
Euro 400.000.000 Subordinated Debt Issuance Note Programme

of/*von*

VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe
Dated 4 February 2015
Datiert 4.2.2015

Specified Currency: **[●]**
Festgelegte Währung: **[●]**

Aggregate Principal Amount: **[●]**
Gesamtnennbetrag: **[●]**

Series No.: **[●]**
Serien-Nr.: **[●]**

Tranche No.: **[●]**
Tranchen-Nr.: **[●]**

Issue Price: **[●]** %
Ausgabepreis: **[●]** *%*[2]

Issue Date: **[●]**
Valutatag: **[●]**

Net proceeds: **[●]** **[**(less an amount to account for expenses)**]**
Nettoerlös: **[●]** **[***(abzüglich eines Betrages für Kosten)***]**

PART A – TERMS AND CONDITIONS
TEIL A – EMISSIONSBEDINGUNGEN

[In case the options applicable to the relevant Tranche of Notes shall be determined by replicating the relevant provisions set forth in the Prospectus as Option I (Subordinated Undated Notes) or Option II (Subordinated Dated Notes) (including any further options contained in such Options), and completing the relevant placeholders, insert:

Falls die für die maßgebliche Tranche von Schuldverschreibungen geltenden Optionen durch Wiederholung der maßgeblichen im Prospekt als Option I (für Nachrangige Unbefristete Schuldverschreibungen) oder Option II (für Nachrangige Befristete Schuldverschreibungen) aufgeführten Angaben (einschließlich der jeweils in diesen Optionen enthaltenen weiteren Optionen) und Vervollständigung der maßgeblichen Platzhalter bestimmt werden, einfügen:

The Conditions applicable to the Notes **[**and a English language translation thereof**]** are set out below.

*Die für die Schuldverschreibungen geltenden Bedingungen **[**sowie eine englischsprachige Übersetzung**]** sind nachfolgend aufgeführt.*

[*In the case of Subordinated Undated Notes the relevant provisions of Option I (including relevant further options set out therein) shall be replicated and relevant placeholders shall be completed.*

Im Fall von Nachrangigen Unbefristeten Schuldverschreibungen sind die maßgeblichen Angaben der Option I (einschließlich der darin enthaltenen maßgeblichen weiteren Optionen) zu wiederholen und maßgebliche Leerstellen zu vervollständigen.*]*]

[*In the case of Subordinated Dated Notes the relevant provisions of Option II (including relevant further options set out therein) shall be replicated and relevant placeholders shall be completed.*

Im Fall von Nachrangigen Befristeten Schuldverschreibungen sind die maßgeblichen Angaben der Option II (einschließlich der darin enthaltenen maßgeblichen weiteren Optionen) zu wiederholen und maßgebliche Leerstellen zu vervollständigen.*]*]

[*In case the options applicable to the relevant Tranche of Notes shall be determined by making reference to the relevant provisions set forth in the Prospectus as Option I or Option II (including any further options contained in such Options), insert:*

Falls die für die maßgebliche Tranche von Schuldverschreibungen geltenden Optionen durch Bezugnahme auf die maßgeblichen im Prospekt als Option I oder Option II aufgeführten Bestimmungen (einschließlich der jeweils in diesen Optionen enthaltenen weiteren Optionen) bestimmt werden sollen, einfügen:

This Part A. of the Final Terms shall be read in conjunction with the set of Terms and Conditions that applies to **[**Subordinated Undated Notes**]** **[**Subordinated Dated Notes**]** Notes (the "**Terms and Conditions**") and that is set forth in the Prospectus as **[**Option I**]** **[**Option II**]**. Capitalised terms not otherwise defined in these Final Terms shall have the meanings specified in the Terms and Conditions when used in these Final Terms.

*Dieser Teil A. der Endgültigen Bedingungen ist in Verbindung mit dem Satz an Emissionsbedingungen zu lesen, der auf **[**Nachrangige Unbefristete Schuldverschreibungen**]** **[**Nachrangige Befristete Schuldverschreibungen**]** Anwendung findet (die "**Emissionsbedingungen**") und der als **[**Option I**]** **[**Option II**]** im Prospekt enthalten ist. Begriffe, die in den Emissionsbedingungen definiert sind, haben, falls diese Endgültigen Bedingungen nicht etwas Anderes bestimmen, die gleiche Bedeutung, wenn sie in diesen Endgültigen Bedingungen verwendet werden.*

All references in this Part A. of the Final Terms to sections and paragraphs are to sections and paragraphs of the Terms and Conditions.

Bezugnahmen in diesem Teil A. der Endgültigen Bedingungen auf Paragraphen und Absätze beziehen sich auf die Paragraphen und Absätze der Emissionsbedingungen.

The blanks in the provisions of the Terms and Conditions, which are applicable to the Notes shall be deemed to be completed by the information contained in these Final Terms as if such information were inserted in the blanks of such provisions. All provisions in the Terms and Conditions corresponding to items in these Final Terms which are either not selected or completed or which are deleted shall be deemed to be deleted from the Terms and Conditions applicable to the Notes.

Die Leerstellen in den auf die Schuldverschreibungen anwendbaren Bestimmungen der Emissionsbedingungen gelten als durch in diesen Endgülten Bedingungen enthaltenen Angaben ausgefüllt, als ob die Leerstellen in den betreffenden Bestimmungen durch diese Angaben ausgefüllt wären. Sämtliche Bestimmungen der Emissionsbedingungen, die sich auf Variablen dieser Endgültigen Bedingungen beziehen, die weder angekreuzt noch ausgefüllt oder die gestrichen werden, gelten als in den auf die Schuldverschreibungen anwendbaren Emissionsbedingungen gestrichen.**]**

§ 1 CURRENCY, DENOMINATION, FORM, TITLE, CERTAIN DEFINITIONS
§ 1 WÄHRUNG, STÜCKELUNG, FORM, EIGENTUM, DEFINITIONEN

§ 1 (1) Currency, Denomination
§ 1 (1) Währung, Stückelung

Specified Currency: *Festgelegte Währung:*	**[•]** ***[•]***
Aggregate Principal Amount: *Gesamtnennbetrag:*	**[•]** ***[•]***
Specified Denomination: *Festgelegte Stückelung:*	**[•]** ***[•]***

§ 1 (4) Clearing System
§ 1 (4) Clearing System

☐ Clearstream Banking AG, Frankfurt am Main
Mergenthalerallee 61
65760 Eschborn

☐ Clearstream Banking, société anonyme, Luxembourg
42 Avenue JF Kennedy
L-1855 Luxembourg

☐ Euroclear Bank SA/NV
Boulevard du Roi Albert II
B-1210 Brussels

☐ Oesterreichische Kontrollbank Aktiengesellschaft
Am Hof 4; Strauchgasse 3
A-1011 Vienna

☐ **[*specify other Clearing System*]**
[*anderes Clearing System angeben*]

§ 1 (7) Definitions
§ 1 (7) Definitionen

Relevant Financial Centres: *Relevante Finanzzentren:*	**[•]** ***[•]***

§ 3 Status
§ 3 Rang

§ 2 (2) Set-off
§ 2 (2) Aufrechnung

Exemption from set-off restriction: *Ausnahme vom Aufrechnungsverbot:*	**[**Not applicable**] [•]** ***[****Nicht anwendbar****] [•]***

§ 3 Interest
§ 3 Zinsen

§ 3 (1) Fixed Interest Period
§ 3 (1) Festzinsperiode

Interest Commencement Date: *Verzinsungsbeginn:*		**[•]** ***[•]***
First Call Date: *Erster Kündigungstermin*:		**[•]** ***[•]***
Rate of Interest for the Fixed Interest Period: *Zinssatz für die Festzinsperiode*:		**[•]** ***[•]***
☐	Initial Broken Amount (per Specified Denomination) *Anfänglicher Bruchteilzinsbetrag (pro festgelegte Stückelung)*	**[•]** ***[•]***
Fixed Interest Payment Dates: *Festzinszahlungstage:*		**[•]** ***[•]***
First Fixed Interest Payment Date: *Erster Festzinszahlungstag:*		**[•]** ***[•]***

Day Count Fraction
Zinstagequotient

☐	Actual/Actual (ICMA)	
	Determination Date(s): *Feststellungstermin(e):*	**[•]** **[•]**
☐	Actual/Actual – ISDA	
☐	Actual/365 (Fixed)	
☐	Actual/360	
☐	30/360 / 360/360 / Bond Basis	
☐	30E/360 / Eurobond Basis	

§ 3 (2) Floating Rate Interest Period
§ 3 (2) Variable Zinsperiode

[Specified Interest Payment Dates: *Festgelegte Zinszahlungstage:*	**[●]** ***[●]*]**
[Specified Interest Period(s): *Festgelegte Zinsperiode(n):*	**[*insert number*]** **[**weeks**]** **[**months**]** ***[Anzahl einfügen] [****Wochen****] [****Monate****]*** **]**

Business Day Convention:
Geschäftstagekonvention:

☐ Modified Following Business Day Convention (adjusted)
☐ FRN Convention (adjusted)
☐ Following Business Day Convention (adjusted)
☐ Preceding Business Day Convention (adjusted)

Floating Rate of Interest
Variabler Zinssatz
Reference Rate:
Referenzsatz:

☐ EURIBOR
☐ LIBOR

Interest Determination Date:	The **[**first**][**second**]** London Business Day prior to the commencement of the relevant Interest Period
Zinsfestsetzungstag:	*Der **[**erste**][**zweite**]** Londoner Geschäftstag vor Beginn der jeweiligen Zinsperiode*
Margin: Marge:	**[●]** % ***[●]*** *%*

Day Count Fraction:
Zinstagequotient:

☐ Actual/Actual (ISDA)
☐ Actual/365 (Fixed)
☐ Actual/360
☐ 30/360 / 360/360 / Bond Basis
☐ 30E/360 / Eurobond Basis

§ 4 PAYMENTS
§ 4 ZAHLUNGEN

§ 4 (5) Payment Business Day
§ 4 (5) Zahltag

Financial centre(s) relating to Payment Business Dates:	**[**Not applicable**][●]**
Finanzzentrum (-zentren) in Bezug auf Zahltage:	***[****Nicht anwendbar****][●]***

§ 5 REDEMPTION
§ 5 RÜCKZAHLUNG

[☐	Redemption month/year: *Rückzahlungsmonat/ -jahr:*	**[**•**]** ***[*•*]*]**
[☐	Inclusion of "a redemption or" in § 5(5)(b)(iv): *In § 5(5)(b)(iv) "Rückzahlung oder" einfügen:*	**]**

§ 6 PAYING AGENT AND CALCULATION AGENT
§ 6 DIE ZAHLSTELLE UND DIE BERECHNUNGSSTELLE

Paying Agent:
Zahlstelle:

☐	Erste Bank Group AG	
☐	Other Paying Agent *Andere Zahlstelle*	[insert other Paying Agent and specified office] *[andere Zahlstelle und bezeichnete Geschäftsstelle einfügen]*

Calculation Agent:
Berechnungsstelle:

☐	Erste Bank Group AG	
☐	Other Calculation Agent *Andere Berechnungsstelle*	[insert other Calculation Agent and specified office] *[andere Berechnungsstelle und bezeichnete Geschäftsstelle einfügen]*

§ 8 STATUTE OF LIMITATIONS
§ 8 VERJÄHRUNG

Limitation: *Verjährung:*	**[**The limitation period shall be three years in respect of interest due and **[**30**]** **[**10**]** years in respect of principal due.**]** **[**Ansprüche auf Zahlung aus fälligen Zinsen verjähren nach 3 Jahren ab Fälligkeit; Ansprüche aus fälligen Tilgungszahlungen verjähren nach **[**30**]** **[**10**]** Jahren ab Fälligkeit.**]**

§ 9 SUBSTITUTION
§ 9 ERSETZUNG

Alternative notice period: *Alternative Mitteilungsfrist:*	**[**•**]** ***[*•*]***

§ 10 PURCHASES AND CANCELLATION
§ 10 RÜCKKAUF UND ENTWERTUNG

Further exemptions:	**[**Not applicable**]** **[**Furthermore, this shall not

Weitere Ausnahmen:	apply to **[*Insert further exemptions*]]** **[***Nicht anwendbar***]** **[*weitere Ausnahmen einfügen*]**

§ 11 NOTICES
§ 11 MITTEILUNGEN

Place and medium of publication
Ort und Medium der Bekanntmachung

☐	Austria (Amtsblatt zur Wiener Zeitung) *Österreich (Amtsblatt zur Wiener Zeitung)*	
☐	*Internet address* Internetadresse	**[•]** ***[•]***
☐	Other (specify) *Sonstige (angeben)*	**[•]** ***[•]***

Notices will be deemed to have been validly given on the day of such publication.	**[**Yes**]** **[**No**]**
Mitteilungen gelten mit dem Tag der Veröffentlichung als wirksam erfolgt.	***[****Ja****]*** ***[****Nein****]***

§ 12 APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT
§ 12 ANWENDBARES RECHT, GERICHTSSTAND

Annulment: *Kraftloserklärung:*	**[**Not applicable**]** **[**(4) *Annulment.* The Austrian courts shall have exclusive jurisdiction over the annulment of lost or destroyed Global Notes.**]** ***[Nicht anwendbar]*** **[**(4) *Kraftloserklärung*. Die österreichischen Gerichte sind ausschließlich zuständig für die Kraftloserklärung abhanden gekommener oder vernichteter Globalurkunden.**]**

§ 13 PARTIAL INVALIDITY
§ 13 TEILWEISE NICHTIGKEIT

Partial Invalidity: *Teilweise Nichtigkeit:*	**[**Applicable**]** **[**Not applicable**]** ***[****Anwendbar****]*** ***[****Nicht anwendbar****]***

§ 14 LANGUAGE
§ 14 SPRACHE

Governing language:	**[**German**]** **[**The German text shall be prevailing and binding. The English language translation is provided for convenience only.**]**
Rechtsverbindliche Sprache:	***[****Deutsch****]*** **[**Die deutsche Sprachfassung ist verbindlich. Die englische Sprachfassung stelle eine unverbindliche Übersetzung dar.**]**

]

PART B – OTHER CONDITIONS
TEIL B – SONSTIGE BEDINGUNGEN

Other conditions which shall not be inserted in the Terms and Conditions and which apply to all Notes. [2]

Sonstige Bedingungen, die nicht in den Anleihebedingungen einzusetzen sind und die für alle Schuldverschreibungen gelten. [2]

Material Interest
Materielles Interesse

Material Interest of natural and legal persons involved in the issue/offer:	The Issuer is entitled to purchase or sell Notes for its own account or for the account of third parties and to issue further Notes. In addition, the Issuer may, on a daily basis, act on the national and international finance and capital markets. Therefore, the Issuer may, for its own account or for the account of its clients, also close transactions with regard to reference rates and it may, with regard to such transactions, act in the same manner as if the Notes had not been issued. **[*specify further description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest, if any*]**
Wesentliche Interessen von Seiten natürlicher und juristischer Personen, die an der Emission/dem Angebot beteiligt sind:	*Die Emittentin ist berechtigt, Schuldverschreibungen für eigene Rechnung oder für Rechnung Dritter zu kaufen und zu verkaufen und weitere Schuldverschreibungen zu begeben. Die Emittentin kann darüber hinaus täglich an den nationalen und internationalen Geld- und Kapitalmärkten tätig werden. Sie kann daher für eigene Rechnung oder für Kundenrechnung Geschäfte auch mit Bezug auf Referenzwerte abschließen und sie kann in Bezug auf diese Geschäfte auf dieselbe Weise handeln, als wären die begebenen Schuldverschreibungen nicht ausgegeben worden.* ***[weitere Einzelheiten betreffend jeglicher Interessen – einschließlich Interessenkonflikte -, die für die Emission/das Angebot von wesentlicher Bedeutung sind, wobei die betroffenen Personen zu spezifizieren und die Art der***

2 There is no obligation to complete Part II of the Final Terms in its entirety in case of Notes with a Specified Denomination of at least EUR 100,000 or its equivalent in any other currency, provided that such Notes will not be listed on any regulated market within the European Economic Area.

Es besteht keine Verpflichtung, Teil II der Endgültigen Bedingungen bei Schuldverschreibungen mit einem Festgelegten Nennbetrag von mindestens EUR 100.000 oder dem Gegenwert in einer anderen Währung vollständig auszufüllen, sofern diese Schuldverschreibungen nicht an einem geregelten Markt innerhalb des Europäischen Wirtschaftsraums zum Handel zugelassen werden.

	Interessen darzulegen sind, einfügen, sofern vorhanden]
A statement of the resolutions, authorisations and approvals by virtue of which the Notes have been or will be created and/or issued:	**[specify details]**
Angabe der Beschlüsse, Ermächtigungen und Genehmigungen, aufgrund deren die Schuldverschreibungen geschaffen und/oder emittiert wurden oder werden sollen:	***[Einzelheiten einfügen]***
The expected issue date of the Notes:	**[specify details]**
Angabe des voraussichtlichen Emissionstermins der Schuldverschreibungen:	***[Einzelheiten einfügen]***

Securities Identification Numbers
Wertpapier-Kenn-Nummern

Common Code:	**[•]**
Common Code:	***[•]***
ISIN Code:	**[•]**
ISIN Code:	***[•]***
Austrian Securities Code (WKN):	**[•]**
Wertpapier-Kenn-Nummer:	***[•]***
Yield (while Fixed Interest Period):	**[•]**
Rendite (während Festzinsperiode):	***[•]***

Conditions of the Offer
Bedingungen des Angebots

The time period, including any possible amendments, during which the offer will be open and description of the application process:	**[•]**
Frist – einschließlich etwaiger Änderungen – während der das Angebot vorliegt und Beschreibung Antragsverfahrens:	**[•]**
A description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants:	**[•]**
Beschreibung der Möglichkeit zur Reduzierung der Zeichnungen und des Verfahrens für die Erstattung des zu viel gezahlten Betrags an die Antragsteller:	**[•]**
Details of the minimum and/or maximum amount of application:	**[•]**
Mindest- und/oder maximale Zeichnungshöhe:	**[•]**
Method and time limits for paying up the securities and for delivery of the securities:	**[•]**
Methode und Fristen für die Bedienung der Wertpapiere und ihre Lieferung:	**[•]**

A full description of the manner and date in which results of the offer are to be made public:	**[•]**
Umfassende Beschreibung der Modalitäten und des Termins für die öffentliche Bekanntgabe der Angebotsergebnisse:	**[•]**
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	**[•]**
Verfahren für die Benachrichtigung der Zeichner über den ihnen zugeteilten Betrag und Hinweis darauf, ob mit dem Handel schon vor einer solchen Benachrichtigung begonnen werden kann:	**[•]**
An indication of the expected price at which the securities will be offered or the method of determining the price and the process for its disclosure:	**[•]**
Angabe des Preises, zu dem die Wertpapiere voraussichtlich angeboten werden, oder der Methode, nach der der Preis festgesetzt wird, und Verfahrens für seine Bekanntgabe:	**[•]**
Indicate the amount of any expenses and taxes specifically charged to the subscriber or purchaser:	**[•]**
Angabe etwaiger Kosten und Steuern, die speziell dem Zeichner oder Käufer in Rechnung gestellt werden:	**[•]**
Non-exempt Offer *Nicht von der Prospektpflicht ausgenommenes Angebot*	**[**Applicable**] [**Not applicable**]** **[**Anwendbar**] [**Nicht anwendbar**]**

Placing and Underwriting
Platzierung und Übernahme

Name and address of the co-ordinator(s) of the global offer and of single parts of the offer and, to the extent known to the Issuer or the offeror, or the placers in the various countries where the offer takes place:	**[•]**
Name und Anschrift des Koordinators/der Koordinatoren des globalen Angebots oder einzelner Teile des Angebots und – sofern dem Emittenten oder dem Bieter bekannt – Angaben zu den Platzeuren den einzelnen Ländern des Angebots:	**[•]**
Date of the subscription agreement: *Datum des Übernahmevertrags:*	**[•]** **[•]**
Material features of the subscription agreement: *Hauptmerkmale des Übernahmevertrags:*	**[•]** **[•]**
Managers: *Manager:*	**[•]** **[•]**

☐ . Firm Commitment
..... *Feste Übernahmeverpflichtung*

☐ . Without Firm Commitment
..... *Ohne Feste Übernahmeverpflichtung*

Net Proceeds, Commissions, Concessions and Estimated Total Expenses
Nettoemissionserlös, Provisionen und geschätzte Gesamtkosten

Net proceeds:	**[•]**
Nettoemissionserlös:	**[•]**
☐ . Management and Underwriting ..... Commission ..... *Management- und Übernahmeprovision*	**[•]**
☐ . *Selling Concession* ..... *Verkaufsprovision*	**[•]**
☐ . *Other* ..... *Andere*	**[•]**
Total Commission and Concession:	**[•]**
Gesamtprovision:	**[•]**
Listing(s) and admission to trading ***Börsenzulassung(en) und Zulassung zum Handel***	**[Yes] [No]** ***[Ja] [Nein]***
Indication as to whether the Notes are or will be the object of an application for admission to trading, with a view to their distribution in a regulated market or other equivalent markets or as to whether the Notes are already admitted to trading:	**[**Not applicable**] [specify details]**
Angabe, ob für die Schuldverschreibungen ein Antrag auf Zulassung zum Handel gestellt wurde oder gestellt werden soll, um sie an einem geregelten Markt oder anderen gleichwertigen Märkten zu platzieren oder ob eine Zulassung schon erteilt wurde:	***[****Nicht anwendbar****] [Einzelheiten einfügen]***

☐ Vienna Stock Exchange - Regulated Market
Wiener Wertpapierbörse - Geregelter Freiverkehr

☐ Luxembourg Stock Exchange -- official list
Geregelter Markt der Luxemburger Börse

☐ None
Keiner

If known, give the earliest dates on which the Notes will be admitted to trading:	**[**Not applicable**] [specify details]**
Falls bekannt, Angabe der ersten Termine, zu denen die Schuldverschreibungen zum Handel zugelassen sind:	**[***Nicht anwendbar***] [Einzelheiten einfügen]**
Name and address of the entities which have a	**[**Not applicable**] [*****specify details*****]**

firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment: *Name und Anschrift der Institute, die aufgrund einer festen Zusage als Intermediäre im Sekundärhandel tätig sind und Liquidität mittels Geld- und Briefkursen erwirtschaften, und Beschreibung der Hauptbedingungen der Zusagevereinbarung:*	 ***[**Nicht anwendbar**] [Einzelheiten einfügen]***
Stabilising Dealer(s)/Manager(s): *Kursstabilisierende Platzeur/Manager:*	**[**Not applicable**] [*specify details*]** ***[**Nicht anwendbar**] [Einzelheiten einfügen]***
Expense of the admission to trading *Kosten der Zulassung zum Handel*	**[specify details]** ***[Einzelheiten einfügen]***
Total amount of Notes admitted to trading: *Gesamtbetrag der zum Handel zuzulassenden Wertpapiere:*	**[specify details]** ***[Einzelheiten einfügen]***
All regulated markets or equivalent markets on which to the knowledge of the Issuer, notes of the same class of the Notes to be offered or admitted to trading are already admitted to trading: *Angabe sämtlicher geregelter oder gleichwertiger Märkte, an denen nach Kenntnis der Emittentin Schuldverschreibungen der gleichen Wertpapierkategorie, die zum Handel angeboten oder zugelassen werden sollen, bereits zum Handel zugelassen sind:*	**[specify details]** ***[Einzelheiten einfügen]***
Listing Agent: ***Börsezulassungsbeauftragter:***	
☐ Erste Bank Group AG	
☐ Other Listing Agent *Anderer Börsezulassungsbeauftragter*	[*insert other Listing Agent and specified office*] *[anderen Börsezulassungsbeauftragten und bezeichnete Geschäftsstelle einfügen]*

Third Party Information
Information Dritter

Where information has been sourced from a third party the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information available to it from such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer has not independently verified any such information and accepts no responsibility for the accuracy thereof:	**[•]**
Sofern Informationen von Seiten Dritter übernommen wurden, bestätigt die Emittentin, dass diese Informationen zutreffend wiedergegeben worden sind und – soweit es der Emittentin bekannt ist und sie aus den von diesen Dritten zur Verfügung gestellten	**[•]**

Informationen ableiten konnte – keine Fakten unterschlagen wurden, die die reproduzierten Informationen unzutreffend oder irreführend gestalten würden. Die Emittentin hat diese Informationen nicht selbständig überprüft und übernimmt keine Verantwortung für ihre Richtigkeit:

☐ **Rating:** ***Rating:***[7]	**[specify details]** ***[Einzelheiten einfügen]***
☐ The Notes to be issued have been rated as follows: *Die Schuldverschreibungen wurden wie folgt geratet*:	
☐ S&P:	**[•]**

The above Final Terms comprise the details required to list this issue of Notes under the EUR 400,000,000 Subordinated Debt Issuance Note Programme of VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe (issued on **[*insert Issue Date for the Notes*]**).
Die vorstehenden Endgültigen Bedingungen enthalten die Angaben, die für die Zulassung dieser Emission von Schuldverschreibungen unter dem EUR **[***400.000.000***]** *Nachrangige Schuldverschreibungen Programm der VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe (ausgegeben am* **[*Emissionstermin der Schuldverschreibungen einfügen*]***) erforderlich sind.*

The Issuer accepts responsibility for the information contained in these Final Terms.
Die Emittentin übernimmt die Verantwortung für die in diesen Endgültigen Bedingungen enthaltenen Informationen.

Signed on behalf of the Issuer:

By: ______________________	By: ______________________
Duly authorised	Duly authorised

TAXATION

Austria

This section on taxation contains a brief summary of the Issuer's understanding with regard to certain important principles which are of significance in connection with the purchase, holding or sale of the Notes in the Republic of Austria. This summary does not purport to exhaustively describe all possible tax aspects and does not deal with specific situations which may be of relevance for certain potential investors. The following comments are rather of a general nature and included herein solely for information purposes. They are not intended to be, nor should they be construed to be, legal or tax advice. This summary is based on the currently applicable tax legislation, case law and regulations of the tax authorities, as well as their respective interpretation, all of which may be amended from time to time. Such amendments may possibly also be effected with retroactive effect and may negatively impact on the tax consequences described. It is recommended that potential investors in the Notes consult with their legal and tax advisors as to the tax consequences of the purchase, holding or sale of the Notes. Tax risks resulting from the Notes (in particular from a potential qualification as equity for tax purposes instead of debt) shall in any case be borne by the investor. For the purposes of the following it is assumed that the Notes are legally and factually offered to an indefinite number of persons.

The Issuer assumes no responsibility with respect to taxes withheld at source.

General remarks

Individuals having a domicile (*Wohnsitz*) and/or their habitual abode (*gewöhnlicher Aufenthalt*) in Austria are subject to income tax (*Einkommensteuer*) in Austria on their worldwide income (unlimited income tax liability; *unbeschränkte Einkommensteuerpflicht*). Individuals having neither a domicile nor their habitual abode in Austria are subject to income tax only on income from certain Austrian sources (limited income tax liability; *beschränkte Einkommensteuerpflicht*).

Corporations having their place of management (*Ort der Geschäftsleitung*) and/or their legal seat (*Sitz*) in Austria are subject to corporate income tax (*Körperschaftsteuer*) in Austria on their worldwide income (unlimited corporate income tax liability; *unbeschränkte Körperschaftsteuerpflicht*). Corporations having neither their place of management nor their legal seat in Austria are subject to corporate income tax only on income from certain Austrian sources (limited corporate income tax liability; *beschränkte Körperschaftsteuerpflicht*).

Both in case of unlimited and limited (corporate) income tax liability Austria's right to tax may be restricted by double taxation treaties.

Income taxation of the Notes

Pursuant to § 27(1) of the Austrian Income Tax Act (*Einkommensteuergesetz*), the term investment income (*Einkünfte aus Kapitalvermögen*) comprises:

- income from the letting of capital (*Einkünfte aus der Überlassung von Kapital*) pursuant to § 27(2) of the Austrian Income Tax Act, including dividends and interest;
- income from realised increases in value (*Einkünfte aus realisierten Wertsteigerungen*) pursuant to § 27(3) of the Austrian Income Tax Act, including gains from the alienation, redemption and other realisation of assets that lead to income from the letting of capital, zero coupon bonds and broken-period interest; and
- income from derivatives (*Einkünfte aus Derivaten*) pursuant to § 27(4) of the Austrian Income Tax Act, including cash settlements, option premiums received and income from the sale or other realisation of forward contracts like options, futures and swaps and other derivatives such as index certificates.

Also the withdrawal of the Notes from a bank deposit (*Depotentnahme*) and circumstances leading to a loss of Austria's taxation right regarding the Notes *vis-à-vis* other countries, *e.g.* a relocation from Austria (*Wegzug*), are in general deemed to constitute a sale (*cf.* § 27(6)(1) of the Austrian Income Tax Act).

Individuals subject to unlimited income tax liability in Austria holding the Notes as non-business assets are subject to income tax on all resulting investment income pursuant to § 27(1) of the Austrian Income Tax Act. In case of investment income with an Austrian nexus (*inländische Einkünfte aus Kapitalvermögen*), basically meaning income paid by an Austrian paying agent (*auszahlende Stelle*) or an Austrian custodian agent (*depotführende Stelle*), the income is subject to withholding tax (*Kapitalertragsteuer*) of 25%; no additional income tax is levied over and above the amount of tax withheld (final taxation pursuant to § 97(1) of the Austrian Income Tax Act). In case of investment income without an Austrian nexus, the income must be included in the investor's income tax return and is subject to tax at a flat rate of 25%. In both cases upon application the option exists to tax all income subject to tax at the flat rate of 25% at the lower progressive income tax rate (option to regular taxation pursuant to § 27a(5) of the Austrian Income Tax Act). § 27(8) of the Austrian Income Tax Act, *inter alia,* provides for the following restrictions on the offsetting of losses: negative income from realised increases in value and from derivatives may be neither offset against interest and other claims *vis-à-vis* credit institutions nor against income from private law foundations and comparable legal estates (*privatrechtliche Stiftungen und damit vergleichbare Vermögensmassen*); income subject to tax at a flat rate of 25% may not be offset against income subject to the progressive income tax rate (this equally applies in case of an exercise of the option to regular taxation); negative investment income not already offset against positive investment income may not be offset against other types of income.

Individuals subject to unlimited income tax liability in Austria holding the Notes as business assets are subject to income tax on all resulting investment income pursuant to § 27(1) of the Austrian Income Tax Act. In case of investment income with an Austrian nexus the income is subject to withholding tax of 25%. While withholding tax has the effect of final taxation for income from the letting of capital, income from realised increases in value and income from derivatives must be included in the investor's income tax return (nevertheless tax at a flat rate of 25%). In case of investment income without an Austrian nexus, the income must always be included in the investor's income tax return (generally tax at a flat rate of 25%). In both cases upon application the option exists to tax all income subject to tax at the flat rate of 25% at the lower progressive income tax rate (option to regular taxation pursuant to § 27a(5) of the Austrian Income Tax Act). Pursuant to § 6(2)(c) of the Austrian Income Tax Act, depreciations to the lower fair market value and losses from the alienation, redemption and other realisation of financial assets and derivatives in the sense of § 27(3) and (4) of the Austrian Income Tax Act, which are subject to tax at the flat rate of 25%, are primarily to be offset against income from realised increases in value of such financial assets and derivatives and with appreciations in value of such assets; only half of the remaining negative difference may be offset against other types of income (and carried forward).

Corporations subject to unlimited corporate income tax liability in Austria are subject to corporate income tax on interest from the Notes at a rate of 25%. In case of investment income with an Austrian nexus the income is subject to withholding tax of 25%, which can be credited against the corporate income tax liability. However, under the conditions set forth in § 94(5) of the Austrian Income Tax Act withholding tax is not levied in the first place. Income from the alienation of the Notes is subject to corporate income tax of 25%. Losses from the alienation of the Notes can be offset against other income (and carried forward).

Private foundations (*Privatstiftungen*) pursuant to the Austrian Private Foundations Act (*Privatstiftungsgesetz*) fulfilling the prerequisites contained in § 13(3) and (6) of the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz*) and holding the Notes as non-business assets are subject to interim taxation at a rate of 25% on interest income, income from realised increases in value and income from derivatives (*inter alia,* if the latter are in the form of securities). Interim tax does not fall due insofar as distributions subject to withholding tax are made to beneficiaries in the same tax period. In case of investment income with an Austrian nexus income is in general subject to withholding tax of 25%, which can be credited against the tax falling due. Under the conditions set forth in § 94(12) of the Austrian Income Tax Act withholding tax is not levied.

Individuals and corporations subject to limited (corporate) income tax liability in Austria are taxable on investment income from the Notes if they have a permanent establishment (*Betriebsstätte*) in Austria and the Notes and the income therefrom are attributable to such permanent establishment (*cf.* § 98(1)(3) of the Austrian Income Tax Act, § 21(1)(1) of the Austrian Corporate Income Tax Act). Since 1 January 2015 individuals subject to limited income tax liability in Austria are also taxable on interest in the sense of the Austrian EU Withholding Tax Act (*EU-Quellensteuergesetz*, see below) from the Notes if withholding tax is levied on such interest (this does not apply*, inter alia,* to individuals falling within the scope of the Austrian EU Withholding Tax Act; *cf.* § 98(1)(5)(b) of the Austrian Income Tax Act).

Pursuant to § 93(6) of the Austrian Income Tax Act, the Austrian custodian agent is obliged to automatically offset negative investment income against positive investment income, taking into account all of a taxpayer's bank deposits with the custodian agent. If negative and at the same time or later positive income is earned, then the negative income is to be offset against the positive income. If positive and later negative income is earned, then withholding tax on the positive income is to be credited, with such tax credit being limited to 25% of the negative income. In certain cases the offsetting is not permissible. The custodian agent has to issue a written confirmation on each offsetting of losses.

EU withholding tax

§ 1 of the Austrian EU Withholding Tax Act – implementing Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments – provides that interest payments paid or credited by an Austrian paying agent (*Zahlstelle*) to a beneficial owner who is an individual resident in another EU Member State (or in certain dependent or associated territories, which currently include Anguilla, Aruba, the British Virgin Islands, Curaçao, Guernsey, the Isle of Man, Jersey, Montserrat, Sint Maarten and the Turks and Caicos Islands) are subject to EU withholding tax (*EU-Quellensteuer*) of 35%. § 10 of the Austrian EU Withholding Tax Act provides for an exemption from EU withholding tax if the beneficial owner presents to the paying agent a certificate drawn up in his/her name by the competent authority of his/her EU Member State of residence for tax purposes, indicating the name, address and tax or other identification number or, failing such, the date and place of birth of the beneficial owner, the name and address of the paying agent, and the account number of the beneficial owner or, where there is none, the identification of the security; such certificate shall be valid for a period not exceeding three years. It is expected that changes to the EU Withholding Tax Act – implementing Council Directive 2014/48/EU of 24 March 2014 amending Directive 2003/48/EC on taxation of savings income in the form of interest payments – will enter into effect by 1 January 2017.

Tax treaties Austria/Switzerland and Austria/Liechtenstein

The Treaty between the Republic of Austria and the Swiss Confederation on Cooperation in the Areas of Taxation and Capital Markets and the Treaty between the Republic of Austria and the Principality of Liechtenstein on Cooperation in the Area of Taxation provide that a Swiss, respectively Liechtenstein, paying agent has to withhold a tax amounting to 25% on, *inter alia*, interest income, dividends and capital gains from assets booked with an account or deposit of such Swiss, respectively Liechtenstein, paying agent if the relevant holder of such assets (*i.e.* in general individuals on their own behalf and as beneficial owners of assets held by a domiciliary company (*Sitzgesellschaft*)) is tax resident in Austria. The same applies to such income from assets managed by a Liechtenstein paying agent if the relevant holder of the assets (*i.e.* in general individuals as beneficial owners of a transparent structure) is tax resident in Austria. For Austrian income tax purposes this withholding tax has the effect of final taxation regarding the underlying income if the Austrian Income Tax Act provides for the effect of final taxation for such income. The treaties, however, do not apply to interest covered by the agreements between the European Community and the Swiss Confederation, respectively the Principality of Liechtenstein, regarding Council Directive 2003/48/EC on taxation of savings income in the form of interest payments. The taxpayer can opt for voluntary disclosure instead of the withholding tax by expressly authorising the Swiss, respectively Liechtenstein, paying agent to disclose to the competent Austrian authority the income, which subsequently has to be included in the income tax return.

Austrian inheritance and gift tax

Austria does not levy inheritance or gift tax.

Certain gratuitous transfers of assets to private law foundations and comparable legal estates are subject to foundation transfer tax (*Stiftungseingangssteuer*) pursuant to the Austrian Foundation Transfer Tax Act (*Stiftungseingangssteuergesetz*) if the transferor and/or the transferee at the time of transfer have a domicile, their habitual abode, their legal seat or their place of effective management in Austria. Certain exemptions apply in cases of transfers *mortis causa* of financial assets within the meaning of § 27(3) and (4) of the Austrian Income Tax Act (except for participations in corporations) if income from such financial assets is subject to income tax at the flat rate of 25%. The tax basis is the fair market value of the assets transferred minus any debts, calculated at the time of transfer. The tax rate generally is 2.5%, with a higher rate of 25% applying in special cases. Special provisions apply to transfers of assets to entities falling within the scope of the tax treaty between Austria and Liechtenstein.

In addition, there is a special notification obligation for gifts of money, receivables, shares in corporations, participations in partnerships, businesses, movable tangible assets and intangibles if the donor and/or the donee have a domicile, their habitual abode, their legal seat or their place of effective management in Austria. Not all gifts are covered by the notification obligation: In case of gifts to certain related parties, a threshold of EUR 50,000 per year applies; in all other cases, a notification is obligatory if the value of gifts made exceeds an amount of EUR 15,000 during a period of five years. Furthermore, gratuitous transfers to foundations falling under the Austrian Foundation Transfer Tax Act described above are also exempt from the notification obligation. Intentional violation of the notification obligation may trigger fines of up to 10% of the fair market value of the assets transferred.

Further, gratuitous transfers of the Notes may trigger income tax at the level of the transferor pursuant to § 27(6)(1) of the Austrian Income Tax Act (see above).

Luxembourg

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

Withholding Tax

(i) Non-resident holders of Notes

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

(ii) Resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 as amended (the Relibi Law) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Relibi Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg or to a residual entity (within the meaning of the laws of 21 June 2005 implementing Council Directive 2003/48/EC of 3 June 2003 on the taxation of savings income and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the Territories), as amended) established in an EU Member State (other than Luxembourg) or one of the Territories and securing such payments for the benefit of such individual beneficial owner will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Law will be subject to a withholding tax at a rate of 10 per cent.

SUBSCRIPTION AND SALE

Subject to the terms and conditions contained in a programme agreement to be concluded on or about the date of this Prospectus (the "**Programme Agreement**") between VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe (in its capacity as Issuer) and Erste Group Bank AG as Arranger and Dealer, the Notes will be offered by the Issuer to the relevant Dealer(s). However, the Issuer has reserved the right to appoint further Dealers under the Programme Agreement and to issue Notes directly on its own behalf to such Dealers, other than Erste Group Bank AG. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Programme Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for its expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Final Terms.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Programme Agreement entitles the Dealers to terminate any agreement that they entered into make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Selling Restrictions

United States of America

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the "**Securities Act**") and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons. Each Dealer has agreed that it will not offer, sell or deliver any Notes within the United States or to U.S. persons, except as permitted by the Programme Agreement.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Terms used in this paragraph have the meanings given to them by Regulation S.

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

The Issuer may agree with one or more Dealers for such Dealers to arrange for the sale of Notes under procedures and restrictions designed to allow such sales to be exempt from the registration requirements of the Securities Act.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan, as amended (the "**FIEL**") and, accordingly, each Dealer has undertaken that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity authorised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan. For purposes of this paragraph, "**resident of Japan**" shall have the meaning as defined under the FIEL.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

(a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Art. 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within Art 3 (2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Art. 3 of the Prospectus Directive or supplement a prospectus pursuant to Art. 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Sec. 19 of the Financial Services and Markets Act 2000, as amended (the "FSMA")) by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Sec. 21 of the FSMA received by it in connection with the issue or sale of any Notes in circumstances in which Sec. 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

General

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required. Each Dealer has represented and agreed that it will comply to the best of its knowledge and belief with all relevant laws and directives in each jurisdiction in which it purchases, offers, sells, or delivers Notes or has in its possession or distributes the Prospectus or any other offering material and will obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the Notes under the laws and directives in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, in all cases at its own expense, and neither the Issuer nor any other Dealer shall have responsibility herefor.

These selling restrictions may be modified by the agreement of the Issuer and the Dealers, *inter alia,* following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Prospectus.

GENERAL INFORMATION ON THE ISSUER AND THE VIG GROUP

The Issuer is a stock corporation organised and operating under Austrian law. It is registered in the companies register (*Firmenbuch*) at the Commercial Court of Vienna (*Handelsgericht Wien*) under the registration number FN 75687f. The legal name of the Issuer is "VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe". Its registered office is in Vienna. Its business address is Schottenring 30, 1010 Vienna, which is also where its main office is located. Its telephone number is +43 (0) 50390-22 000 and its fax number is +43 (0) 50390-99-22 000. The commercial names of the Issuer are "VIG" and "Vienna Insurance Group".

The enterprise was formed from several insurance companies which merged with each other over time. Its origins date back to 1824, the year in which "Wechselseitige k.u.k. priv. Brandschadenversicherungsanstalt" (mutual imperial and royal privileged fire insurance institute) was incorporated, to 1839 when "Allgemeine wechselseitige Capitalien- und Rentenversicherungsanstalt" (mutual capital and pension institution) began its operations, and to 1898 when the Vienna City Counsel decided to set up its own municipal insurance company, the "Städtische Kaiser Franz Joseph-Jubiläums-Lebens- und Rentenversicherungs-Anstalt" (municipal emperor Franz Joseph anniversary life and pension insurance institution). In its current legal form, the Issuer was founded on 5 December 1991, and registered in the companies register on 9 December 1991. The Issuer is incorporated for an unlimited period of time. Under a contribution in kind and transfer agreement dated 29 May 1992, the complete insurance operations of Wiener Städtische Wechselseitige Versicherungsanstalt were spun off and transferred to the Issuer as a contribution in kind pursuant to § 61a of the Insurance Supervision Act (*Versicherungsaufsichtsgesetz*), effective as of 31 December 1991. Before that date, "Vienna Insurance Group (Wiener Städtische)" operated the insurance business in the legal form of a Versicherungsverein auf Gegenseitigkeit (mutual insurance society), the "Wiener Städtische Wechselseitige Versicherungsanstalt". Since then, the Versicherungsverein auf Gegenseitigkeit performs the function of a financial holding company and since July 2010 it is named "Wiener Städtische Wechselseitiger Versicherungsverein – Vermögensverwaltung – Vienna Insurance Group" ("**WST-Versicherungsverein**").

The current share capital of the Issuer amounts to EUR 132,887,468.20 and is divided into 128,000,000 non-par value ordinary shares. The share capital has been fully paid in. The shares of the Issuer are listed on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange and have been included in the Austrian Traded Index (ATX) since 19 September 2005. Since 5 February 2008 the shares of the Issuer are listed on the Main Market of the Prague stock exchange.

On 3 August 2010, in accordance with the decision of the Issuer's annual shareholders' meeting of 29 June 2010, the insurance activities of the Issuer were de-merged into a subsidiary and this company was renamed "WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group" ("**Wiener Städtische**"). The Issuer and parent company changed its name to "VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe". The Issuer operates as the parent company of the entire VIG Group. Both the Issuer and Wiener Städtische Versicherung AG Vienna Insurance Group hold an insurance license in Austria.

Purpose of the Issuer

The Issuer's purpose is set forth in § 2 of its articles of association. The Issuer has the strategic leadership and takes over the central service functions of VIG Group including infrastructure. Furthermore, the Issuer carries on the property/casualty insurance business as well as the reinsurance business in those branches for which it has the approval of the FMA (Insurance Supervision Authority).

As far as they relate directly to the insurance business, the corporate objectives of the Issuer are:

- to participate in other enterprises
- to pursue the activity of insurance brokerage;
- to pursue the activity of consulting in matters relating to insurance;
- to broker mortgage loans and personal loans as well as to broker the acquisition and disposal of securities to the extent that such activities relate to the insurance business;
- to broker home saving contracts;
- to perform services in automatic data processing and information technology;
- to set up and provide organisational facilities for enterprises in which the Company holds shares or interests or with which it has entered into cooperation agreements;
- to perform administration tasks for enterprises in which the Company holds shares or interests or with which it has entered into cooperation agreements;
- to operate private hospitals in the form of company outpatient clinics to provide medical services for the employees of the Company.

Wiener Städtische Wechselseitiger Versicherungsverein – Vermögensverwaltung – Vienna Insurance Group

The Issuer's principal shareholder is Wiener Städtische Wechselseitiger Versicherungsverein – Vermögensverwaltung – Vienna Insurance Group. Wiener Städtische Wechselseitiger Versicherungsverein – Vermögensverwaltung – Vienna Insurance Group directly and indirectly holds shares representing approximately 70% of the aggregate share capital of the Issuer (Source: http://www.vig.com/en/investor-relations/share/shareholder-structure.html). The remaining shares of the Issuer are in free float. To the knowledge of the Issuer, except for Wiener Städtische Wechselseitiger Versicherungsverein – Vermögensverwaltung – Vienna Insurance Group, no other person directly or indirectly holds an interest exceeding 4% of the Issuer's share capital. With this interest in the share capital, Wiener Städtische Wechselseitiger Versicherungsverein – Vermögensverwaltung – Vienna Insurance Group holds a controlling interest in the Issuer. Wiener Städtische Wechselseitiger Versicherungsverein – Vermögensverwaltung – Vienna Insurance Group has a controlling influence on the Issuer, its business activities and its dividend distribution policy.

Since the conversion of the non-voting preferred stock to common stock in June 2005, all shareholders of the Issuer have identical voting rights. Neither Wiener Städtische Wechselseitiger Versicherungsverein – Vermögensverwaltung – Vienna Insurance Group nor any other shareholder has voting rights which differ from those of any other shareholders.

The Issuer's management believes that the Issuer's corporate governance structure, together with the relevant provisions of Austrian corporate law, provide sufficient safeguards against the abuse of controlling interests by shareholders.

VIG Group

The Issuer is both, an operating insurance company and the parent company of the multinational Vienna Insurance Group (the Issuer, together with its consolidated affiliates, the "**VIG Group**"). The Issuer and VIG Group are also part of the group of Wiener Städtische Wechselseitiger Versicherungsverein – Vermögensverwaltung – Vienna Insurance Group which has its registered office in Vienna. The Issuer is the parent company of VIG Group and thus, dependent on the business results of the operations of all of its affiliates, subsidiaries and group companies.

Historical Financial Information

The following table sets forth the contributions to gross premiums written and profit before taxes from the life, property/casualty and health insurance businesses of VIG Group, with an additional breakdown according to geographic region for the first three quarters of 2014 and the first three quarters of 2013.

	First three quarters 2014	First three quarters 2013
	(in EUR million) unaudited	
Premium volume		
Property / Casualty		
Austria*	1,490.00	1,524.50
Czech Republic	635.24	689.40
Slovakia	252.30	250.96
Poland	426.68	423.88
Romania	208.57	219.07
Remaining markets**	458.88	460.43
Central functions	955.52	945.35
Consolidation	-863.66	-896.58
Subtotal	3,563.53	3,617.01
Life		
Austria*	1,457.44	1,438.32
Czech Republic	645.40	628.59
Slovakia	296.75	297.30
Poland	382.57	416.87
Romania	35.26	55.57
Remaining markets**	358.57	283.87
Central functions	34.06	51.39
Consolidation	-26.09	-42.53
Subtotal	3,183.96	3,129.37
Health		
Austria*	274.85	266.53
Remaining markets**	16.25	37.20
Subtotal	291.10	303.73
Total premium	**7,038.59**	**7,050.12**

	First three quarters 2014	First three quarters 2013
	(in EUR million) unaudited	
Profit before taxes		
Austria*	151.20	136.75
Czech Republic	127.63	144.89
Slovakia	43.05	42.80
Poland	48.73	48.58
Romania	2.63	-36.05
Remaining markets**	37.30	37.10

Central functions	19.97	-58.20
Consolidation	0.29	0.05
Total profit before taxes.......................................	**430.81**	**315.92**

*There are branch offices in Italy and Slovenia.
** Without the markets of Montenegro, Belarus and Moldova.
(Source: Unaudited Consolidated Financial Statements as of 30 September 2014 and of 30 September 2013 or internal information of the Issuer)

The following table sets forth the contributions to gross premiums written and profit before taxes from the life, property/casualty and health insurance businesses of VIG Group, with an additional breakdown according to geographic region for the business year 2013 and the business year 2012, respectively:

	2013	**2012 restated**
	(in EUR million) audited	
Premium volume		
Property / Casualty		
Austria*	1,871.93	1,896.65
Czech Republic	891.95	958.46
Slovakia	326.10	324.16
Poland	560.07	586.76
Romania	299.95	334.05
Remaining markets**	607.09	560.95
Central functions	1,235.23	1,195.92
Consolidation	-1,173.95	-1,183.51
Subtotal	4,618.38	4,673.44
Life		
Austria	1,844.52	1,878.33
Czech Republic	870.13	837.11
Slovakia	418.57	379.95
Poland	582.23	1,024.98
Romania	61.84	74.56
Remaining markets**	414.16	370.64
Central functions	68.62	145.52
Consolidation	-57.70	-130.02
Subtotal	4,202.37	4,581.08
Health		
Austria*****	357.43	347.55
Remaining markets**	40.39	43.96
Subtotal	397.82	391.51
Total premium........................	**9,218.57**	**9,646.03**

*There are branch offices in Italy and Slovenia.
** Without the markets of Montenegro, Belarus and Moldova.
(Source: 2013 and 2012 Audited Consolidated Financial Statements or internal information of the Issuer)

	2013	2012 restated
	(in EUR million) audited	
Profit before taxes		
Austria*	232.74	295.98
Czech Republic	197.82	194.97
Slovakia	55.26	56.89
Poland	50.22	41.57
Romania	-98.70	-44.86
Remaining markets**	40.27	39.13
Central functions	-122.24	-20.08
Consolidation	-0.23	0.10
Total profit before taxes	**355.14**	**563.70**

*There are branch offices in Italy and Slovenia.
** Without the markets of Montenegro, Belarus and Moldova.
(Source: 2013 and 2012 Audited Consolidated Financial Statements)

The following tables set forth key items from the income statement and balance sheet of VIG Group the first three quarters of 2014 and the first three quarters of 2013 or as of 30 September 2013 and 2014, respectively.

	First three quarters 2014	First three quarters 2013
	(in EUR million) unaudited	
Net earned premiums	6,326.73	6,364.34
Financial result (excluding at equity consolidated companies)	804.44	867.57
Expenses for claims and insurance benefits	(5,297.40)	(5,395.71)
Acquisition and administrative expenses	(1,374.31)	(1,378.16)
Profit before taxes	430.81	315.92
Investments	30,162.00	28,900.78
Shareholders' Equity	5,452.50	5,143,33
Mathematical reserves	19,945.03	19,370.05
Total liabilities and shareholders' equity	44,264.90	41,754.58

(Source: Unaudited Consolidated Financial Statements as of 30 September 2014 and of 30 September 2013 or internal information of the Issuer)

The following tables set forth key items from the income statement and balance sheet of VIG Group the business year 2013 and the business year 2012, respectively.

	2013	2012 (restated)
	(in EUR million) audited	
Net earned premiums	8,479.05	8,972.25
Financial result (excluding at equity consolidated companies)	1,183.77	1,220.96
Expenses for claims and insurance benefits	(7,210.55)	(7,590.68)
Acquisition and administrative expenses	(1,866.32)	(1,815.52)
Profit before taxes	355.14	563.70
Investments	29,200.54	29,462.82
Shareholders' Equity	5,020.10	5,688.61
Actuarial reserves	19,327.15	19,014.16
Total liabilities and shareholders' equity	41,976.89	42,310.80

(Source: 2013 Audited Consolidated Financial Statements and internal information of the Issuer)

Governance structure of VIG Group

Through its systematic expansion in CEE over recent years, VIG Group had reached a scale that necessitated a more centralized and coordinated approach towards its most important management and information processes and a structure that is designed to enable and safeguard efficient enterprise-wide decision-making and execution.

The key element of the new group structure was the new structural setup in Austria, which separated a new operating holding company, the parent company, from an insurance company in Austria.

On 10 May 2010, the Issuer entered into a de-merger and acquisition agreement for the transfer of the entire insurance operations from what was then Wiener Städtische Versicherung AG Vienna Insurance Group to its wholly-owned subsidiary Versa Beteiligungs AG, now named Wiener Städtische Versicherung AG Vienna Insurance Group, by a de-merger by transfer by way of universal succession in accordance with the Austrian De-Merger Act (*Spaltungsgesetz*). The agreement constitutes the legal basis for the separation of the business division. On 29 June 2010, the Issuer's annual shareholders' meeting approved the de-merger which then became effective as of 3 August 2010, the date of its recording in the companies register at the commercial court in Vienna. In the course thereof, the insurance business was de-merged from the Issuer, i.e. the then called "Vienna Insurance Group Wiener Städtische Versicherung AG", which subsequently changed its name to "Vienna Insurance Group AG Wiener Versicherung Gruppe". The Issuer operates as a parent company and is listed on the stock exchanges in Vienna and Prague. The de-merged entity, which is not listed, was renamed "Wiener Städtische Versicherung AG Vienna Insurance Group". For tax purposes and for reporting under Austrian Generally Accepted Accounting Priciples (GAAP), the de-merger became legally effective as of 31 December 2009, 24.00.

Both, the Issuer and Wiener Städtische Versicherung AG Vienna Insurance Group, hold an insurance license in Austria issued by the FMA. The Issuer acts as the holding company of VIG Group. The Issuer is licensed to operate as a non-life insurance and reinsurance company and provides certain group services to members of VIG Group.

The following table contains the substantial subsidiaries held by the Issuer as at 30 September 2014 also taking into consideration all fully and at equity consolidated companies as at 30 September 2014. Rebrandings, restructurings or other changes relating to the name and/or share of the companies taking effect after 30 September 2014 are not reflected in this table.

VIG Group	**Country**	**Interest in capital (%)**
Fully consolidated companies		
"BULSTRAD LIFE VIENNA INSURANCE GROUP" JOINT STOCK COMPANY, Sofia	Bulgaria	95.53
"Grüner Baum" Errichtungs- und Verwaltungsges.m.b.H., Vienna	Austria	100.00
"POLISA-ZYCIE" Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group, Warsaw	Poland	98.57
Anděl Investment Praha s.r.o., Prague	Czech Republic	100.00

VIG Group	**Country**	**Interest in capital (%)**
Arithmetica Versicherungs- und Finanzmathematische Beratungs-Gesellschaft m.b.H., Vienna	Austria	100.00
Asigurarea Românească - ASIROM Vienna Insurance Group S.A., Bucharest	Romania	99.45
BCR Asigurări de Viaţă Vienna Insurance Group S.A., Bucharest	Romania	93.98
BENEFIA Towarzystwo Ubezpieczeń S.A. Vienna Insurance Group, Warsaw	Poland	100.00
Blizzard Real Sp. z o.o., Warsaw	Poland	100.00
BML Versicherungsmakler GmbH, Vienna	Austria	100.00
Business Insurance Application Consulting GmbH, Vienna	Austria	100.00
Businesspark Brunn Entwicklungs GmbH, Vienna	Austria	100.00
CAL ICAL "Globus", Kiev	Ukraine	80.00
CAME Holding GmbH, Vienna	Austria	100.00
CAPITOL, akciová spoločnosť, Bratislava	Slovakia	100.00
CENTER Hotelbetriebs GmbH, Vienna	Austria	80.00
Central Point Insurance IT-Solutions GmbH, Vienna	Austria	100.00
Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group, Prague	Czech Republic	100.00
COMPENSA Holding GmbH, Wiesbaden	Germany	100.00
Compensa Life Vienna Insurance Group SE, Tallinn	Estonia	100.00
Compensa Towarzystwo Ubezpieczeń Na Życie S.A. Vienna Insurance Group, Warsaw	Poland	100.00
Compensa Towarzystwo Ubezpieczeń S.A. Vienna Insurance Group, Warsaw	Poland	99.92
DBLV Immobesitz GmbH & Co KG, Vienna	Austria	100.00
DBLV Immobesitz GmbH, Vienna	Austria	100.00
DBR-Liegenschaften GmbH & Co KG, Stuttgart	Germany	100.00
DBR-Liegenschaften Verwaltungs GmbH, Stuttgart	Germany	100.00
Deutschmeisterplatz 2 Objektverwaltung GmbH, Vienna	Austria	100.00
Donau Brokerline Versicherungs-Service GmbH, Vienna	Austria	100.00
DONAU Versicherung AG Vienna Insurance Group, Vienna	Austria	99.24

VIG Group	Country	Interest in capital (%)
DVIB GmbH, Vienna	Austria	100.00
ELVP Beteiligungen GmbH, Vienna	Austria	100.00
Erste osiguranje Vienna Insurance Group d.d., Zagreb	Croatia	95.00
ERSTE Vienna Insurance Group Biztositó Zrt., Budapest	Hungary	95.00
Gesundheitspark Wien-Oberlaa Gesellschaft m.b.H., Vienna	Austria	100.00
GPIH B.V., Amsterdam	Netherlands	91.11
INSURANCE JOINT-STOCK COMPANY "BULSTRAD VIENNA INSURANCE GROUP", Sofia	Bulgaria	99.21
Interalbanian Vienna Insurance Group Sh.a., Tirana	Albania	95.12
International Insurance Company "IRAO" LTD, Tbilisi	Georgia	100.00
InterRisk Lebensversicherungs-AG Vienna Insurance Group, Wiesbaden	Germany	100.00
InterRisk Towarzystwo Ubezpieczeń S.A. Vienna Insurance Group, Warsaw	Poland	99.98
InterRisk Versicherungs-AG Vienna Insurance Group, Wiesbaden	Germany	100.00
INTERSIG VIENNA INSURANCE GROUP Sh.A., Tirana	Albania	89.98
Joint Stock Company for Insurance and Reinsurance Makedonija Skopje - Vienna Insurance Group, Skopje	Macedonia	94.25
Joint Stock Company Insurance Company GPI Holding, Tiflis	Georgia	90.00
Joint Stock Insurance Company WINNER-Vienna Insurance Group, Skopje	Macedonia	100.00
Kaiserstraße 113 GmbH, Vienna	Austria	100.00
KÁLVIN TOWER Immobilienentwicklungs- und Investitionsgesellschaft m.b.H., Budapest	Hungary	100.00
Kapitol pojišťovací a finanční poradenství, a.s., Brno	Czech Republic	100.00
KOMUNÁLNA poisťovňa, as. Vienna Insurance Group, Bratislava	Slovakia	100.00
KOOPERATIVA poisťovňa, as. Vienna Insurance Group, Bratislava	Slovakia	100.00
Kooperativa pojišťovna, a.s., Vienna Insurance Group, Prague	Czech Republic	98.39
LVP Holding GmbH, Vienna	Austria	100.00
MAP Bürodienstleistung Gesellschaft m.b.H., Vienna	Austria	100.00

VIG Group	Country	Interest in capital (%)
MH 54 Immobilienanlage GmbH, Vienna	Austria	100.00
Neue Heimat Oberösterreich Holding GmbH, Vienna	Austria	90.00
OMNIASIG VIENNA INSURANCE GROUP S.A., Bucharest	Romania	99.47
Palais Hansen Immobilienentwicklung GmbH, Vienna	Austria	56.55
Passat Real Sp. z o.o., Warsaw	Poland	100.00
PFG Holding GmbH, Vienna	Austria	89.23
PFG Liegenschaftsbewirtschaftungs GmbH & Co KG, Vienna	Austria	92.88
Poisťovňa Slovenskej sporiteľne, a.s. Vienna Insurance Group, Bratislava	Slovakia	95.00
Pojišťovna České spořitelny, a.s.,Vienna Insurance Group, Pardubice	Czech Republic	95.00
Private Joint-Stock Company "Insurance company" Ukrainian insurance group", Kiev	Ukraine	100.00
Private Joint-Stock Company "JUPITER LIFE INSURANCE VIENNA INSURANCE GROUP", Kiev	Ukraine	97.80
PRIVATE JOINT-STOCK COMPANY "UKRAINIAN INSURANCE COMPANY "KNIAZHA VIENNA INSURANCE GROUP", Kiev	Ukraine	99.99
PROGRESS Beteiligungsges.m.b.H., Vienna	Austria	60.00
Projektbau GesmbH, Vienna	Austria	100.00
Projektbau Holding GmbH, Vienna	Austria	90.00
Rathstraße 8 Liegenschaftsverwertungs GmbH, Vienna	Austria	100.00
Ray Sigorta A.Ş, Istanbul	Turkey	94.96
Schulring 21 Bürohaus Errichtungs- und Vermietungs GmbH & Co KG, Vienna	Austria	100.00
Schulring 21 Bürohaus Errichtungs- und Vermietungs GmbH, Vienna	Austria	100.00
SECURIA majetkovosprávna a podielová s.r.o., Bratislava	Slovakia	100.00
Senioren Residenz Fultererpark Errichtungs- und Verwaltungs GmbH, Innsbruck	Austria	100.00
Senioren Residenz Veldidenapark Errichtungs- und Verwaltungs GmbH, Innsbruck	Austria	66.70
SIGMA VIENNA INSURANCE GROUP Sh.A., Tirana	Albania	87.01
Skandia Zycie Towarzystwo Ubezpieczen Spolka Akcyjna, Warsaw	Poland	100.00

VIG Group	Country	Interest in capital (%)
Sparkassen Versicherung AG Vienna Insurance Group, Vienna	Austria	95.00
SVZ GmbH, Vienna	Austria	100.00
SVZI GmbH, Vienna	Austria	100.00
T 125 GmbH, Vienna	Austria	100.00
TBI BULGARIA EAD, Sofia	Bulgaria	100.00
TBIH Financial Services Group N.V., Amsterdam	Netherlands	100.00
UNION Vienna Insurance Group Biztositó Zrt., Budapest	Hungary	100.00
V.I.G. ND a.s., Prague	Czech Republic	100.00
Vienna Life Vienna Insurance Group Biztositó Zártkörüen Müködö Részvénytársaság, Budapest	Hungary	100.00
Vienna-Life Lebensversicherung AG Vienna Insurance Group, Bendern	Liechtenstein	100.00
VIG FUND uzavreny investicni fond, a.s., Prague (Consolidated Financial Statements)	Czech Republic	100.00
VIG RE zajišťovna, a.s., Prague	Czech Republic	100.00
VIG REAL ESTATE DOO, Belgrade	Serbia	100.00
VIG Real Estate GmbH, Vienna	Austria	100.00
VIG-CZ Real Estate GmbH, Vienna	Austria	100.00
VLTAVA majetkovosprávní a podílová spol.s.r.o., Prague	Czech Republic	100.00
WGPV Holding GmbH, Vienna	Austria	100.00
Wiener nekretnine d.o.o. za poslovanje nekretninama	Croatia	100.00
Wiener osiguranje Vienna Insurance Group dioničko društvo za osiguranje, Banja Luka (formerly Jahorina osiguranje Vienna Insurance Group a. d.)	Bosnia-Herzegovina	100.00
Wiener osiguranje Vienna Insurance Group dioničko društvo za osiguranje, Zagreb	Croatia	99.47
WIENER RE akcionarsko društvo za reosiguranje, Beograd	Serbia	100.00
WIENER STÄDTISCHE Beteiligungs GmbH, Vienna	Austria	100.00
WIENER STÄDTISCHE Finanzierungsdienstleistungs GmbH, Vienna	Austria	100.00
WIENER STÄDTISCHE OSIGURANJE akcionarsko društvo za osiguranje, Belgrade	Serbia	100.00

VIG Group	Country	Interest in capital (%)
WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group, Vienna	Austria	99.90
WIENER VEREIN BESTATTUNGS- UND VERSICHERUNGSSERVICE-GESELLSCHAFT M.B.H., Vienna	Austria	100.00
WSBV Beteiligungsverwaltung GmbH & Co KG, Vienna	Austria	100.00
WSV Immoholding GmbH, Vienna	Austria	100.00

At equity consolidated companies

Schwarzatal Gemeinnützige Wohnungs- & Siedlungsanlagen GmbH, Vienna	Austria	55.00
AIS Servis, s.r.o., Brno	Czech Republic	100.00
Alpenländische Heimstätte, gemeinnützige Wohnungsbau- und Siedlungsgesellschaft m.b.H., Innsbruck	Austria	94.00
Benefita, a.s., Prague	Czech Republic	100.00
ČPP servis, s.r.o., Prague	Czech Republic	100.00
CROWN-WSF spol. s.r.o., Prague	Czech Republic	30.00
Erste gemeinnützige Wohnungsgesellschaft Heimstätte Gesellschaft m.b.H., Vienna	Austria	99.77
Gemeinnützige Industrie-Wohnungsaktiengesellschaft, Leonding	Austria	55.00
Gemeinnützige Mürz-Ybbs Siedlungsanlagen-GmbH, Kapfenberg	Austria	55.00
Gewista-Werbegesellschaft m.b.H., Vienna	Austria	33.00
GLOBAL ASSISTANCE, a.s., Prague	Czech Republic	100.00
Global Expert, s.r.o., Pardubice	Czech Republic	100.00
HOTELY SRNÍ, a.s., Prague	Czech Republic	100.00
KIP, a.s., Prague	Czech Republic	100.00
Medial Beteiligungs-Gesellschaft m.b.H., Vienna	Austria	29.63

VIG Group	Country	Interest in capital (%)
Neuland gemeinnützige Wohnbau-Gesellschaft m.b.H., Vienna	Austria	50.12
NEUE HEIMAT Oberösterreich Gemeinnützige Wohnungs-und SiedlungsgesmbH, Linz	Austria	99.81
S - budovy, a.s., Prague	Czech Republic	100.00
S IMMO AG, Vienna	Austria	10.04
Sanatorium Astoria, a.s., Karlsbad	Czech Republic	92.71
SOZIALBAU gemeinnützige Wohnungsaktiengesellschaft, Vienna	Austria	50.12
S-správa nemovitosti, a.s., Prague	Czech Republic	100.00
SURPMO, a.s., Prague	Czech Republic	100.00
TECH GATE VIENNA Wissenschafts- und Technologiepark GmbH, Vienna	Austria	60.00
Urbanbau Gemeinnützige Bau-, Wohnungs- und Stadterneuerungsgesellschaft m.b.H., Vienna	Austria	50.12

Non-consolidated companies

"Assistance Company "Ukrainian Assistance Service" LLC, Kiev	Ukraine	100.00
"Auto-Ekspert" Spolka z organiczona odpowiedzialnoscia, Warsaw	Poland	100.00
"Compensa Services" SIA, Riga	Latvia	100.00
"DUNAJ - Finanse" - Spolka z organiczona adpowiedzialnoscia, Warsaw	Poland	50.00
"Medical Clinic "DIYA" LLC, Kiev	Ukraine	100.00
AISMP Meditzinski Tsentar Bulstrad Zdrave EOOD, Sofia	Bulgaria	100.00
Akcionarsko društvo za životno osiguranje Wiener Städtische Podgorica a.d., Podgorica	Montenegro (Rep.)	100.00
Alpenlachs Soravia GmbH, Vienna	Austria	33.33
Amadi GmbH, Wiesbaden	Germany	100.00
AQUILA Hausmanagement GmbH, Vienna	Austria	100.00
AREALIS Liegenschaftsmanagement GmbH, Vienna	Austria	50.00

VIG Group	Country	Interest in capital (%)
Autosig SRL, Bucharest	Romania	100.00
B&A Insurance Consulting s.r.o., Moravska Ostrava	Czech Republic	49.00
BENEFIA Dystrybucja Spolka z ograniczona odpowiedzialnoscia, Warsaw	Poland	100.00
Beteiligungs- und Immobilien GmbH, Linz	Austria	25.00
Beteiligungs- und Wohnungsanlagen GmbH, Linz	Austria	25.00
Brunn N68 Sanierungs GmbH, Vienna	Austria	50.00
Bulgarski Imoti Asistans EOOD, Sofia	Bulgaria	100.00
Bulstrad Trudova Meditzina EOOD, Sofia	Bulgaria	100.00
Camelot Informatik und Consulting Gesellschaft m.b.H., Villach	Austria	99.48
CAPITOL BROKER DE PENSII PRIVATE S.R.L., Bucharest	Romania	100.00
CAPITOL INTERMEDIAR DE PRODUSE BANCARE S.R.L., Bucharest	Romania	100.00
CAPITOL INTERMEDIAR DE PRODUSE DE LEASING S.R.L., Bucharest	Romania	100.00
CAPITOL Sp. z o.o., Warsaw	Poland	100.00
CARPLUS Versicherungsvermittlungsagentur GmbH, Vienna	Austria	100.00
CCA EDV für Versicherungswirtschaft GmbH, Vienna	Austria	24.28
Compania de Asigurari "DONARIS VIENNA INSURANCE GROUP" Societate pe Actiuni, Chisinau	Moldova	93,83
DIRECT-LINE Direktvertriebs-GmbH, Vienna	Austria	100.00
DVS Donau-Versicherung Vermittlungs- und Service-Gesellschaft m.b.H., Vienna	Austria	100.00
EBS Wohnungsgesellschaft mbH Linz, Linz	Austria	25.00
EBV-Leasing Gesellschaft m.b.H., Vienna	Austria	49.49
EGW Wohnbau gemeinnützige Ges.m.b.H., Vienna	Austria	100.00
ERSTE d.o.o. - company for mandatory pension fund management, Zagreb	Croatia	29.00
Erste S Biztositasi Alkusz Kft, Budapest	Hungary	100.00
European Insurance & Reinsurance Brokers Ltd., London	United Kingdom	85.00

VIG Group	Country	Interest in capital (%)
EXPERTA Schadenregulierungs-Gesellschaft mbH, Vienna	Austria	100.00
Finanzpartner GmbH, Vienna	Austria	50.00
Foreign limited liability company "InterInvestUchastie", Minsk	Belarus	100.00
Gain Capital SA, SICAV-FIS Real Estate Car Parks I, Luxembourg	Luxembourg	40.20
GELUP GmbH, Vienna	Austria	33.33
GEO HOSPITALS LLC, Tiflis	Georgia	100.00
Glamas Beteiligungsverwaltungs GmbH & Co "Beta" KG, Vienna	Austria	23.33
Glamas Beteiligungsverwaltungs GmbH, Vienna	Austria	23.33
Henderson Global Investors Immobilien Austria GmbH, Vienna	Austria	35.00
HORIZONT Personal-, Team- und Organisationsentwicklung GmbH, Vienna	Austria	100.00
IICS/Polska z ograniczona odpowiedzialnoscia, Warsaw	Poland	100.00
InterRisk Informatik GmbH, Wiesbaden	Germany	100.00
Jahorina auto d.o.o., Brcko	Bosnia-Herzegovina	100.00
Jahorina Konseko Progres a.d., Pale	Bosnia-Herzegovina	28.00
Joint Stock Company "Curatio", Tbilisi	Georgia	100.00
Joint Stock Insurance Company WINNER LIFE - Vienna Insurance Group, Skopje	Macedonia	100.00
KUPALA Belarusian-Austrian Closed Joint Stock Insurance Company, Minsk	Belarus	98.26
KWC Campus Errichtungsgesellschaft m.b.H., Klagenfurt	Austria	50.00
Lead Equities II Auslandsbeteiligungs AG, Vienna	Austria	21,59
Lead Equities II.Private Equity Mittelstandsfinanzierungs AG, Vienna	Austria	21,59
LiSciV Muthgasse GmbH & Co KG, Vienna	Austria	23.33
MC EINS Investment GmbH, Vienna	Austria	50.00
Money & More Pénzügyi Tanácsadó Zártkörüen Müködö Részvéntársaság, Budapest	Hungary	100.00
MuVi Re S.A., Luxembourg	Luxembourg	100.00
Österreichisches Verkehrsbüro Aktiengesellschaft, Vienna	Austria	36.58

VIG Group	Country	Interest in capital (%)
Pension Insurance Company Doverie AD, Sofia	Bulgaria	92.58
People's Pharmacy LLC, Tbilisi	Georgia	50.00
PFG Liegenschaftsbewirtschaftungs GmbH, Vienna	Austria	83.57
Privat Joint-stock company "VAB Insurance", Kiev	Ukraine	100.00
Renaissance Hotel Realbesitz GmbH, Vienna	Austria	40.00
RISK CONSULT Sicherheits- und Risiko- Managementberatung Gesellschaft m.b.H., Vienna	Austria	51.00
S.C. CLUB A.RO S.R.L., Bucharest	Romania	100.00
S.O.S.- EXPERT d.o.o. za poslovanje nekretninama, Zagreb	Croatia	100.00
Senioren Residenzen gemeinnützige Betriebsgesellschaft mbH, Vienna	Austria	100.00
Slovexperta, s.r.o., Zilina	Slovakia	100.00
Soleta Beteiligungsverwaltungs GmbH, Vienna	Austria	23.33
Soravia Food Market GmbH, Vienna	Austria	33.33
Sparkassen-Versicherungsservice Gesellschaft m.b.H., Vienna	Austria	100.00
Spoldzielnia Uslugowa VIG EKSPERT W WARSZAWIE, Warsaw	Poland	100.00
SVZ Immoholding GmbH, Vienna	Austria	100.00
SVZ Immoholding GmbH & Co KG, Vienna	Austria	100.00
TBI Asset Management EAD, Sofia	Bulgaria	100.00
TBI CONSULTING EOOD, Sofia	Bulgaria	100.00
TBI Info EOOD, Sofia	Bulgaria	100.00
TBI Invest EAD, Sofia	Bulgaria	100.00
Thermenland Congress Center Loipersdorf GmbH & Co KG, Loipersdorf	Austria	32.26
TOGETHER Internet Services GmbH, Vienna	Austria	24.99
UAB "Compensa Services", Vilnius	Lithuania	100.00
UNION-Informatikai Szolgáltató Kft., Budapest	Hungary	100.00
Untere Donaulände 40 GmbH & Co KG, Vienna	Austria	100.00
Untere Donaulände 40 GmbH, Vienna	Austria	100.00

VIG Group	Country	Interest in capital (%)
VBV - Betriebliche Altersvorsorge AG, Vienna	Austria	23.56
Versicherungsbüro Dr. Ignaz Fiala Gesellschaft m.b.H., Vienna	Austria	33.33
Vienna Finanse Spolka z ograniczona odpowiedzialnoscia, Warsaw	Poland	100.00
Vienna Insurance Group Contact CenterBulgaria AD, Sofia	Bulgaria	100.00
Vienna Insurance Group Polska Spółka z organiczoną odpowiedzialnością, Warsaw	Poland	100.00
Vienna International Underwriters GmbH, Vienna	Austria	100.00
VIG Asset Management investicni spolecnost, a.s., Prague	Czech Republic	100.00
VIG Management Service SRL, Bucharest	Romania	100.00
VIG Properties Bulgaria AD, Sofia	Bulgaria	99.97
VIG Services Bulgaria EOOD, Sofia	Bulgaria	100.00
VIG Services Shqiperi Sh.p.K., Tirana	Albania	100.00
VIG Services Ukraine, LLC, Kiev	Ukraine	100.00
VILE BAREDINE d.o.o., Zagreb	Croatia	30.00
VÖB Direkt Versicherungsagentur GmbH, Graz	Austria	50.00
VVTH GmbH, Vienna	Austria	33.33
VVT Vermögensverwaltung GmbH, Vienna	Austria	33.33
WAG Wohnungsanlagen Gesellschaft m.b.H., Linz	Austria	25.00
Wien 3420 Aspern Development AG, Vienna	Austria	33.33
Wiener Städtische Donau Leasing GmbH, Vienna	Austria	100.00
WILA GmbH, Vienna	Austria	100.00
WNH Liegenschaftsbesitz GmbH, Vienna	Austria	100.00
WSBV Beteiligungsverwaltung GmbH, Vienna	Austria	100.00
WSV Vermögensverwaltung GmbH, Vienna	Austria	100.00

(Source: Internal information of the Issuer as of 30 September 2014)

Business

Overview

VIG Group is a large international insurance group in the CEE region based on gross premiums written, which amounted to approximately EUR 7,038.6 million in the first three quarters in 2014 (first three quarters in 2013: EUR 7,050.1 million). VIG Group has property / casualty, life and/or health insurance business operations in Austria and in 24 other countries, primarily in the CEE region. In the CEE region, VIG Group is active in Albania, Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Georgia, Hungary, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Serbia, Slovakia, Slovenia, Turkey, and Ukraine. VIG Group also operates in Germany, Liechtenstein and Italy. Unless otherwise indicated, all financial data contained in this section is extracted from the Unaudited Consolidated Financial Statements as of 30 September 2014 or the 2013 Audited Consolidated Financial Statements or stems from own calculations of the Issuer.

Next to its home market Austria, VIG Group is primarily active in the emerging countries of the CEE region. The insurance business outside Austria is gaining increasing importance for the VIG Group.

In sales and distribution, VIG Group pursues a multi-brand strategy. The most important brands under which VIG Group operates include "WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group", "DONAU Versicherung AG Vienna Insurance Group", "Sparkassen Versicherung AG Vienna Insurance Group" and "Vienna Insurance Group AG Versicherung Gruppe" in Austria, "Kooperativa pojišťovna, a.s., Vienna Insurance Group", "Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group", "Pojišťovna České spořitelny, a.s.,Vienna Insurance Group" and "VIG RE zajišťovna, a.s." in the Czech Republic, "KOOPERATIVA poisťovňa, as. Vienna Insurance Group", "KOMUNÁLNA poisťovňa, as. Vienna Insurance Group" and "Poisťovňa Slovenskej sporiteľne, a.s. Vienna Insurance Group" in Slovakia, "Compensa Towarzystwo Ubezpieczeń Na Życie S.A. Vienna Insurance Group", "Compensa Towarzystwo Ubezpieczeń S.A. Vienna Insurance Group", "BENEFIA Towarzystwo Ubezpieczeń S.A. Vienna Insurance Group", "InterRisk Towarzystwo Ubezpieczeń S.A. Vienna Insurance Group ", ""POLISA-ZYCIE" Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group" and "Skandia Zycie Towarzystwo Ubezpieczen Spolka Akcyjna" in Poland, "OMNIASIG VIENNA INSURANCE GROUP S.A.", "Asigurarea Românească - ASIROM Vienna Insurance Group S.A.", "BCR Asigurări de Viaţă Vienna Insurance Group S.A." in Romania, "Sigma Interalbanian Vienna Insurance Group Sh.a." and "INTERSIG VIENNA INSURANCE GROUP Sh.A." in Albania, "KUPALA Belarusian-Austrian Closed Joint Stock Insurance Company " in Belarus, "Wiener osiguranje Vienna Insurance Group dioničko društvo za osiguranje" (formerly Jahorina osiguranje Vienna Insurance Group a. d.) in Bosnia-Herzegovina, "BULSTRAD LIFE VIENNA INSURANCE GROUP" JOINT STOCK COMPANY" and "INSURANCE JOINT-STOCK COMPANY "BULSTRAD VIENNA INSURANCE GROUP" in Bulgaria, "Wiener osiguranje Vienna Insurance Group dioničko društvo za osiguranje" and "Erste osiguranje Vienna Insurance Group d.d." in Croatia, "Compensa Life Vienna Insurance Group SE" in Estonia with branches in Latvia and Lithuania, "Joint Stock Company Insurance Company GPI Holding" and "International Insurance Company "IRAO" LTD" in Georgia, "InterRisk Lebensversicherungs-AG Vienna Insurance Group" and “InterRisk Versicherungs-AG Vienna Insurance Group” in Germany, "UNION Vienna Insurance Group Biztositó Zrt.", "ERSTE Vienna Insurance Group Biztositó Zrt." and "Vienna Life Vienna Insurance Group Biztositó Zártkörüen Müködö Részvénytársaság" in Hungary, "Vienna-Life Lebensversicherung AG Vienna Insurance Group" in Liechtenstein, "Joint Stock Insurance Company WINNER-Vienna Insurance Group", "Joint Stock Insurance Company WINNER LIFE - Vienna Insurance Group" and "Joint Stock Company for Insurance and Reinsurance Makedonija Skopje - Vienna Insurance Group" in Macedonia, "Compania de Asigurari "DONARIS VIENNA INSURANCE GROUP" Societate pe Actiuni" in Moldova, "Akcionarsko društvo za životno osiguranje Wiener Städtische Podgorica a.d." in Montenegro, "WIENER STÄDTISCHE OSIGURANJE akcionarsko društvo za osiguranje" in Serbia, "Ray Sigorta A.Ş" in Turkey, "PRIVATE JOINT-STOCK COMPANY "UKRAINIAN INSURANCE

COMPANY "KNIAZHA VIENNA INSURANCE GROUP"", "CAL ICAL "Globus"", "Private Joint-Stock Company "JUPITER LIFE INSURANCE VIENNA INSURANCE GROUP"" and "Private Joint-Stock Company "Insurance company" Ukrainian insurance group" in Ukraine. There are branch offices in Italy and Slovenia ("Wiener Städtische" and "Donau" in Italy, "Wiener Städtische" in Slovenia).

It is part of VIG Group's philosophy to operate newly acquired companies under their respective brand names, which are already established in the local market and familiar to their customers. In 2006, the name Vienna Insurance Group was introduced as the "surname" after the local "first names" of the individual corporations. This highlighted VIG Group's international presence and, while furthering its multi-brand strategy, unified these diverse brands under the VIG Group umbrella.

Through the retention of local brand names as "first names", existing sales and distribution relationships are maintained, and the acquired company can continue to focus on its marketing activities and expansion of its business. However, in order to benefit from synergies, the companies generally cooperate in the administrative area, i.e. internal service functions are centrally administered, whereas the individual companies each maintain their own identity and presence in the local market. By taking advantage of VIG Group synergies, individual companies are able to develop products that are specifically adapted to the local markets, conduct local marketing campaigns, and enter into sales cooperation arrangements that are suited to the market.

In the first three quarters in 2014, the property and casualty insurance business of the Issuer had a net-combined ratio (*When the total of all items in the income statement that contribute to the profit before taxes, except for income from capital assets (excl. other non-technical income and expenses) and the value of gross earned premiums itself, is divided by gross earned premiums, the result is called the gross combined ratio. If this ratio is less than 100%, the company is earning a profit from the underwriting portion of the business. This ratio is only calculated for property and casualty insurance. Since the reinsurers' share is taken into account in the calculation, the result is a net combined ratio)* of 97.2% (first three quarters in 2013: 100.6%). The acquisition expense ratio (total) in the first three quarters in 2014 was 17.7% (first three quarters in 2013: 17.5%). The administrative expense ratio in the first three quarters in 2014 was 3.6% (first three quarters in 2013: 3.6%). As of 30 September 2014 VIG Group had 22,777 employees in its fully consolidated companies compared to 23,139 employees as of 31 December 2013.

Business Segments

VIG Group's business activities comprise three business lines:

- property and casualty insurance;
- life insurance; and
- health insurance.

Property and Casualty Insurance

VIG Group offers certain property and casualty insurance products to private persons, households, and small, mid-sized, and large enterprises under various brand names in Austria, Germany and the CEE region, including motor vehicle and non-motor vehicle insurance (the so-called "non-motor vehicle insurance classes"), which also encompasses accident insurance. The specific type of insurance offered differs in the countries in which VIG Group operates, and the individual composition of the products can vary from country to country.

The motor vehicle insurance segment includes motor vehicle liability insurance and collision, passenger accident insurance and kasko insurance. In addition, individualized customer needs can be met through supplementary products.

The non-motor vehicle insurance classes include the entire spectrum of property insurance (fire, wind storm, water pipe damage, burglary and theft, business interruption, and glass breakage insurance as well as transportation, aviation and technology insurance) as well as accident, general liability, and legal expenses insurance. VIG Group offers its retail customers primarily homeowners and household insurance and legal expenses insurance. In the commercial customer segment, VIG Group provides comprehensive insurance protection for residential building operators and small and medium-sized companies with residential property insurance and business insurance. In addition VIG Group offers individualized insurance solutions to large corporate customers in the fire, business interruption, engineering, aviation, transit, and general liability insurance segments. Large international customers are serviced in Austria by Austrian domestic companies and, in the CEE region, through a network of local subsidiaries.

In connection with personal accident insurance, products are offered for individuals (adults and children), families, and groups of persons (associations, companies, fire departments). Personal accident insurance provides coverage for permanent disability, accident benefits, costs associated with the accident, and accidental death.

In the first three quarters in 2014, the property and casualty insurance segment of VIG Group had gross premiums written of EUR 3,563.5 million (first three quarters in 2013: EUR 3,617.0 million) and had a net-combined ratio of 97.2% (first three quarters in 2013: 100.6%). Its earnings before tax amounted to EUR 229.3 million in the first three quarters in 2014 (first three quarters in 2013: EUR 52.2 million).

Life Insurance

The life insurance business of VIG Group includes traditional risk and protection products as well as savings and pension products. The latter include annuity insurance, unit- and index-linked products as well as, government-subsidized retirement pension plans. The range of products offered by VIG Group differs from country to country.

In the first three quarters in 2014, the life insurance division of VIG Group had gross premiums written of EUR 3,184.0 million (first three quarters in 2013: EUR 3,129.4 million). Its earnings before tax amounted to EUR 154.7 million in the first three quarters in 2014 (first three quarters in 2013: EUR 239.1 million).

Health Insurance

Health insurance products are primarily sold by VIG Group in Austria and Georgia through individual and group insurance policies. Private health insurance primarily provides a supplement to state social insurance. The most important areas are special care (health) insurance (*Sonderklasseversicherung*), daily allowance insurance (*Taggeldversicherung*), and insurance for outpatients' medical expenses.

In the first three quarters in 2014, the health insurance division of VIG Group had gross premiums written of EUR 291.1 million (first three quarters in 2013: EUR 303.7 million). Its earnings before tax amounted to EUR 46.8 million in the first three quarters in 2014 (first three quarters in 2013: EUR 24.6 million).

Gross Premiums Written per Business Segment

The following table sets forth gross premiums written for the three core lines of business for the periods presented:

	First three quarters 2014	**First three quarters 2013**	**First three quarters 2014**	**First three quarters 2013**
	(in EUR million)		**(in %)**	

Property and casualty	3,563.5	3,617.0	50.6	51.3
Life insurance	3,184.0	3,129.4	45.3	44.4
Health insurance	291.1	303.7	4.1	4.3
Total	**7,038.6**	**7,050.1**	**100.0**	**100.0**

(Source: Unaudited Consolidated Financial Statements as of 30 September 2014 or internal information of the Issuer)

Distribution Channels

The importance of individual distribution channels for VIG Group varies depending on the country, the area of business and the VIG Group company.

In Austria, the distribution of products is conducted through VIG Group's own sales force, banks and brokers/distribution agents.

In the CEE region, VIG Group also relies on various distribution channels. The importance of the particular distribution channel differs significantly in the various local markets. For example, in the Czech Republic and Slovakia, distribution through banks is the most important distribution channel.

The Issuer and Erste Group Bank AG ("**Erste Group**") are parties to a general mutual distribution agreement whereby, among others, Erste Group companies act as intermediaries for the sale of insurance products of VIG Group in Austria and the CEE region.

Strategy

The following discussion of VIG Group's strategy contains forward-looking statements. For a discussion of the risks associated with VIG Group's strategic goals, see RISK FACTORS, commencing on page 32.

VIG Group's primary goal is to achieve long-term, steady economic growth in sales and earnings. In order to achieve this goal, VIG Group has implemented two core strategies: (i) consolidating its market leadership in Austria and (ii) taking advantage of the growth potential in the CEE region.

VIG Group's core strategies are as follows:

Consolidating its market leadership in Austria

Organic growth

VIG Group seeks to sustain and grow its position in the Austrian insurance market. In the first three quarters in 2014, EUR 3,222.3 million, or approximately 45.8%, of VIG Group's gross premiums written (first three quarters in 2013: EUR 3,229.3 million, or approximately 45.8%), and EUR 151.2 million profit before taxes, or approximately 35.1% (EUR 136.7 million, or approximately 43.3% in the first three quarters in 2013), of VIG Group's pre-tax earnings were generated in Austria. Although the Austrian insurance market is in principle a developed market, insurance penetration is significantly below the EU-15 Countries average. New business opportunities may arise in the coming years as a result of changes in the social system and the related increase in demand for private insurances which has already been occurring for some years.

Sales

VIG Group has an established sales network in Austria, which it plans to expand. The effectiveness of VIG Group's own sales force is intended to be strengthened through customer-oriented changes in the sales and handling processes. In some areas, VIG Group works with independent distribution partners, which is also planned to be intensified in the future. Through its general distribution agreement with Erste Group and cooperation agreements with several local Erste Group companies and different local savings banks, VIG Group sells through bank intermediaries, and is endeavouring to foster its position by collaborating with additional partners as part of its multi-brand sales model.

Taking advantage of the growth potential in the CEE region

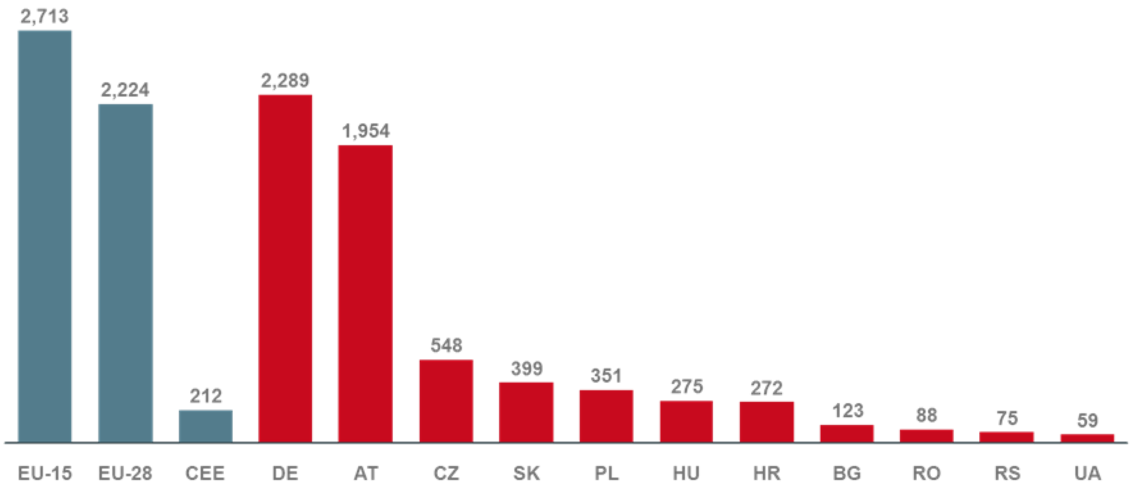
Regional presence in the CEE

With the establishment of a joint venture in the former Czechoslovakia in 1990, VIG Group was the first Western insurance group to establish a private insurance company in the CEE region. Since then, VIG Group's market presence in the CEE area has further grown. In order to expand its activities in the CEE countries, VIG Group relied on a thorough market observation process in which its existing subsidiaries and their local contacts were involved. VIG Group now has insurance companies and branches in 25 countries, 21 of which are countries in the CEE region.

Attaining a solid market position

VIG Group seeks to gain market share and become the leading insurance group in each of the CEE markets in which it operates. VIG Group's steady expansion of its presence in the CEE region is targeted to continue through organic growth on the one hand and acquisitions on the other. The CEE region is currently under-supplied in terms of high-quality insurance products compared to Western Europe. In the recent years, the dynamic economic development of the region has been accompanied by an increasing wealth of the population which led to a significant increase in the need for insurance services by corporate and retail customers. The demand for insurance products has been growing, in particular for newly created assets and for safeguarding the standard of living. The demand for insurance services in these markets generally follows the following pattern: initially, the focus is on insuring material goods (motor vehicles, homes). The demand for savings and retirement products follows later, as a result of changes in the social system. The prerequisite for a strong demand for these products is the development of a broad middle class. VIG Group seeks to tap the potential of this target group. The region's long-term "catch-up" potential is evident from its Insurance Density (per capita insurance premiums). In 2013, this amounted on average to EUR 212 in the CEE core markets as compared to EUR 2,713 in the EU-15 Countries (Source: In-house calculations based on publications by national insurance supervisory authorities and associations, IMF World Economic Outlook 04/2014 and Swiss Re (Sigma)).

The following table shows the Insurance Density in the indicated countries for the year 2013 (per capita insurance premiums in EUR):



CEE: weighted average of Bulgaria (BG), Croatia (HR), Czech Republic (CZ), Hungary (HU), Poland (PL), Romania (RO), Serbia (RS), Slovakia (SK), Ukraine (UA)

(Source: In-house calculations based on publications by national insurance supervisory authorities and associations, IMF World Economic Outlook 04/2014 and Swiss Re (Sigma))

VIG Group's core strategies are implemented according to the following principles, which are intended to guarantee an optimized access to customers, mutual use of synergies, and a broad diversification of risks throughout the entire VIG Group:

- Due to certain acquisitions in recent years, the Issuer's management has gained experience in integrating new acquisitions into VIG Group. The Issuer's aim is to combine the experience of local employees with VIG Group's quality standards in order to offer high-quality insurance services in all the markets in which VIG Group operates. Part of the philosophy of VIG Group is to seek to continue operating newly acquired companies under their current brand names, which have been established at the local level and are familiar to customers. As a result, existing sales relationships are maintained, and the focus of marketing activities can be placed on the continued development of the respective company. By taking advantage of VIG Group synergies, individual companies are able to develop products that are specifically adapted to the market, conduct local marketing campaigns, and enter into cooperative sales arrangements that are suited to the market. Administrative and cost structures are kept lean through shared use of back-office services and VIG Group-wide purchasing of services. In sales, VIG Group relies on a combination of its own salesmen, brokers and bank intermediaries. This combination ensures the optimal use of VIG Group's cross-selling potential and avoids dependence on any one sales partner.
- The individual VIG Group companies are managed by local teams, who are familiar with the prevailing market environments in their respective countries. The Issuer provides strategic guidance to local companies by nominating at least one in-house manager or director to the respective supervisory board and, frequently, by nominating one member to the respective management board.
- At the same time, local companies receive support from the Issuer in key areas of activity. In particular, the Issuer provides a VIG Group-wide reinsurance concept, the mathematical insurance capabilities of the Issuer's actuarial office, electronic data processing support, cross-border services to corporate customers, advice for and coordination of the management of financial assets and the transfer of specialized know-how to individual VIG Group companies. The Issuer believes that this approach provides its group companies with the necessary flexibility to adapt themselves to local market conditions, enabling VIG Group to better attain its strategic goals.
- The Issuer aims to keep risks low over the long-term through broad diversification in all areas. This should be accomplished through geographic diversification and the various distribution channels of VIG Group, which currently operates in 25 countries. As a consequence, a possible future deterioration in the insurance industry environment in one market would have only a limited effect on VIG Group as a whole. VIG Group's multi-brand strategy enables it to address various target groups and use various distribution channels in individual countries. The Issuer seeks a balanced ratio of life to non-life business and of retail to corporate business in each of the individual markets in which it operates.

The Companies of VIG Group

VIG Group operates in Austria and in 24 other countries, primarily in the CEE region.

Austria

In Austria, VIG Group currently includes the Issuer, WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group ("**Wiener Städtische**"), DONAU Versicherung AG Vienna Insurance Group ("**Donau**") and Sparkassen Versicherung AG Vienna Insurance Group ("**s Versicherung**").

Although the Issuer operates out of Austria as an international reinsurer and an insurer in the cross-border corporate business, it is assigned to the central functions segment.

Wiener Städtische and Donau operate in the property/casualty, life and health insurance business throughout Austria, Wiener Städtische has also branches in Italy and Slovenia, Donau has a branch in Italy. s Versicherung operates almost exclusively in the life insurance business but also offers a range of accident insurance products. It primarily uses the branches of Erste Group and savings banks as its distribution channel. VIG Group has a number of domestic and foreign affiliates that supplement the business of VIG Group but are not themselves insurance companies. These companies represent diverse industries, all of which are closely related to the insurance industry.

The following table sets forth gross premiums written and the profit before taxes for the property/casualty, life and health insurance business throughout Austria:

	(in EUR million)	
	First three quarters 2014	**First three quarters 2013**
Gross premiums written	3,222.3	3,229.3
Property and casualty	1,490.0	1,524.5
Life	1,457.4	1,438.3
Health	274.8	266.5
Profit before taxes	151.2	136.7

Consolidation stages performed when preparing the annual and quarterly financial statements are presented in a separate consolidation column in the segment report by region. This has no effect on the VIG Group result.

(Source: Unaudited Consolidated Financial Statements as of 30 September 2014 and of 30 September 2013 or internal information of the Issuer)

Czech Republic

In the Czech Republic, VIG Group currently includes Kooperativa pojišťovna, a.s., Vienna Insurance Group ("**Kooperativa (CZ)**"), Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group ("**ČPP**") and Pojišťovna České spořitelny, a.s., Vienna Insurance Group ("**PČS**"). Although VIG RE zajišťovna, a.s., VIG Group's reinsurance company, is also based in the Czech Republic, it is assigned to the central functions segment.

Kooperativa (CZ) and ČPP offer insurance solutions in both the property/casualty and life segments, whereas PČS focuses on the area of life insurances. PČS uses primarily the nationwide branch banking network of Česká Spořitelna as a distribution channel.

The following table sets gross premiums written and the profit before taxes for the property/casualty and life insurance business throughout the Czech Republic:

	(in EUR million)	
	First three quarters 2014	**First three quarters 2013**
Gross premiums written	1,280.6	1,318.0
Property and casualty	635.2	689.4
Life	645.4	628.6
Profit before taxes	127.6	144.9

Consolidation stages performed when preparing the annual and quarterly financial statements are presented in a separate consolidation column in the segment report by region. This has no effect on the VIG Group result.

(Source: Unaudited Consolidated Financial Statements as of 30 September 2014 and of 30 September 2013 or internal information of the Issuer)

Slovakia

VIG Group holds interests in three insurance companies in Slovakia: KOOPERATIVA poisťovňa, a.s. Vienna Insurance Group ("**Kooperativa (SK)**"), KOMUNÁLNA poisťovňa, a.s. Vienna Insurance Group ("**Komunálna**") and Poisťovňa Slovenskej sporiteľne, a.s. Vienna Insurance Group ("**PSLSP**").

Kooperativa (SK) and Komunálna offer insurance solutions in both the property/casualty and life segments, whereas PSLSP focuses on the area of life insurances.

The following table sets forth gross premiums written and the profit before taxes for the property/casualty and life insurance business throughout Slovakia:

	(in EUR million)	
	First three quarters 2014	**First three quarters 2013**
Gross premiums written	549.0	548.3
Property and casualty	252.3	251.0
Life	296.7	297.3
Profit before taxes	43.1	42.8

(Source: Unaudited Consolidated Financial Statements as of 30 September 2014 and of 30 September 2013 or internal information of the Issuer)

Poland

VIG Group holds an interest in six insurance companies in Poland: BENEFIA Towarzystwo Ubezpieczeń S.A. Vienna Insurance Group ("**Benefia**"), Compensa Towarzystwo Ubezpieczeń S.A. Vienna Insurance Group ("**Compensa Non-Life**"), Compensa Towarzystwo Ubezpieczeń Na Życie S.A. Vienna Insurance Group ("**Compensa Life**") (The two life insurance companies Compensa and Benefia merged in September 2014 and operate now under Compensa Life brand), InterRisk Towarzystwo Ubezpieczeń S.A. Vienna Insurance Group ("**Interrisk**"), "POLISA-ZYCIE" Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group ("**Polisa**") and Skandia Życie Towarzystwo Ubezpieczeń SA Vienna Insurance Group ("**Skandia**").

Benefia Non-Life, Compensa Non-Life and Interrisk offer insurance solutions in the property/casualty segment and have formed the jointly owned company Spoldzielnia Uslugowa VIG EKSPERT W WARSZAWIE for claims processing. Compensa Life, Polisa and Skandia (which has been acquired in 2014), offer insurance solutions in the life segment. Compensa Non-life also has branches in Latvia and Lithuania.

The following table sets forth gross premiums written and the profit before taxes for the property/casualty and life insurance business throughout Poland:

	(in EUR million)	
	First three quarters 2014	**First three quarters 2013**
Gross premiums written	809.2	840.8
Property and casualty	426.7	423.9
Life	382.6	416.9
Profit before taxes	48.7	48.6

(Source: Unaudited Consolidated Financial Statements as of 30 September 2014 and of 30 September 2013 or internal information of the Issuer)

Romania

VIG Group holds interests in three insurance companies in Romania: OMNIASIG VIENNA INSURANCE GROUP S.A. ("**Omniasig Non-Life**"), BCR Asigurări de Viaţă Vienna Insurance

Group S.A. ("**BCR Life**"), and Asigurarea Românească – ASIROM Vienna Insurance Group S.A. ("**Asirom**").

Omniasig Non-Life operates in the property/casualty segment and offers a broad portfolio of products that is primarily focused on motor vehicle insurance. BCR Life offers insurance solutions in the life segment. Asirom operates in the life and property/casualty segments of the Romanian insurance market.

The following table sets forth gross premiums written and the profit before taxes for the property/casualty and life insurance business throughout Romania:

	(in EUR million)	
	First three quarters 2014	**First three quarters 2013**
Gross premiums written	243.8	274.6
Property and casualty	208.6	219.1
Life	35.3	55.6
Profit/Loss before taxes	2.6	-36.1

(Source: Unaudited Consolidated Financial Statements as of 30 September 2014 and of 30 September 2013 or internal information of the Issuer)

Remaining markets

The Remaining Markets segment includes Albania, Bosnia-Herzegovina, Bulgaria, Croatia, Estonia, Georgia, Germany, Hungary, Latvia, Liechtenstein, Lithuania, Macedonia, Serbia, Turkey and Ukraine. These markets generated 11.8% of VIG Group's premiums in the first three quarters in 2014 (first three quarters in 2013: 11.1%). The Montenegro, Moldova and Belarus markets are not included in the VIG Group's consolidated financial statements.

Albania. In Albania, VIG Group is represented by the non-life insurance companies Sigma Interalbanian Vienna Insurance Group Sh.a. (The companies SIGMA VIENNA INSURANCE GROUP Sh.A. and Interalbanian Vienna Insurance Group Sh.a. were merged in 2014) and INTERSIG VIENNA INSURANCE GROUP Sh.A.

Baltic States (Estonia, Latvia and Lithuania). VIG Group is represented in the Baltic States by Compensa Life Vienna Insurance Group SE and by branches of the Polish Compensa Towarzystwo Ubezpieczeń S.A. Vienna Insurance Group in Latvia and Lithuania.

Bosnia-Herzegovina. In Bosnia-Herzegovina, VIG Group is represented by Wiener osiguranje Vienna Insurance Group dioničko društvo za osiguranje (as of 1 December 2014 the company Jahorina osiguranje Vienna Insurance Group a.d. was rebranded in Wiener osiguranje Vienna Insurance Group dioničko društvo za osiguranje). Wiener osiguranje Vienna Insurance Group dioničko društvo za osiguranje operates in the life and property/casualty segments.

Bulgaria. In Bulgaria, VIG Group is represented by "BULSTRAD LIFE VIENNA INSURANCE GROUP" JOINT STOCK COMPANY , and INSURANCE JOINT-STOCK COMPANY "BULSTRAD VIENNA INSURANCE GROUP". "BULSTRAD LIFE VIENNA INSURANCE GROUP" JOINT STOCK COMPANY operates in the life segment, INSURANCE JOINT-STOCK COMPANY "BULSTRAD VIENNA INSURANCE GROUP" operates in the property/casualty segment.

Croatia. In Croatia, VIG Group is represented by Wiener osiguranje Vienna Insurance Group d.d. and Erste osiguranje Vienna Insurance Group d.d. In Croatia, VIG Group operates in the life and property/casualty segments.

Georgia. In Georgia, VIG Group is represented by International Insurance Company "IRAO" LTD, and Joint Stock Company Insurance Company GPI Holding. Both Joint Stock Company Insurance Company GPI Holding and International Insurance Company "IRAO" LTD focus on the distribution of health and property/casualty insurance products.

Germany. In Germany, VIG Group is represented by InterRisk Lebensversicherungs-AG Vienna Insurance Group, operating in the life insurance segment, and InterRisk Versicherungs-AG Vienna Insurance Group, operating in the property/casualty insurance segment.

Hungary. In Hungary, VIG Group is represented by ERSTE Vienna Insurance Group Biztosító Zrt. and Vienna Life Vienna Insurance Group Biztosító Zrt. (VIG Group bought AXA Biztosító Zrt. in 2014 and renamed it in Vienna Life Vienna Insurance Group Biztosító Zrt.), operating in the life insurance segment, and UNION Vienna Insurance Group Biztositó Zrt., operating in the life and property/casualty insurance segment.

Liechtenstein. In Liechtenstein, VIG Group is represented by Vienna-Life Lebensversicherung AG Vienna Insurance Group, operating in the life insurance segment.

Macedonia. In Macedonia, VIG Group is represented by Joint Stock Insurance Company WINNER – Vienna Insurance Group and Joint Stock for Insurance and Reinsurance Makedonija Skopje – Vienna Insurance Group, operating in the property/casualty insurance segment and Joint Stock Insurance Company WINNER LIFE – Vienna Insurance Group, operating in the life insurance segment.

Serbia. In Serbia, VIG Group is represented by "WIENER STÄDTISCHE OSIGURANJE" akcionarsko društvo za osiguranje, operating in the life and property/casualty insurance segment.

Turkey. In Turkey, VIG Group is represented by Ray Sigorta A.S., operating in the property/casualty insurance segment.

Ukraine. In the Ukraine, VIG Group is represented by Private Joint-Stock Company "JUPITER LIFE INSURANCE VIENNA INSURANCE GROUP", operating in the life insurance segment, CAL ICAL "Globus", PRIVATE JOINT-STOCK COMPANY "UKRAINIAN INSURANCE COMPANY "KNIAZHA VIENNA INSURANCE GROUP", and Private Joint-Stock Company "Insurance company" Ukrainian insurance group, all operating in the non-life insurance segment.

The following table sets forth gross premiums written and the profit before taxes for the life and non-life insurance business throughout Albania, the Baltic States (Estonia, Latvia, and Lithuania), Bosnia-Herzegovina, Bulgaria, Croatia, Georgia, Germany, Hungary, Liechtenstein, Macedonia, Serbia, Turkey and Ukraine:

	(in EUR million)	
	First three quarters 2014	**First three quarters 2013**
Gross premiums written	833.7	781.5
Life	358.6	283.9
Property and casualty	458.9	460.4
Health	16.3	37.2
Profit before taxes	37.3	37.1

Consolidation stages performed when preparing the annual and quarterly financial statements are now presented in a separate consolidation column in the segment report by region. This has no effect on the VIG Group result.

(Source: Unudited Consolidated Financial Statements as of 30 September 2014 and of 30 September 2013 or internal information of the Issuer)

Market Entry

The table below provides the year of VIG Group's market entry in the countries in which it operates:

Country/Company	**Year of Entry**
Austria	1824
Germany	1990
Slovakia	1990
Czech Republic	1991
Hungary	1996

Country/Company	Year of Entry
Poland	1998
Croatia	1999
Italy	1999
Liechtenstein	1999
Romania	2001
Bulgaria	2002
Belarus	2002
Serbia	2003
Ukraine	2004
Slovenia	2004
Georgia	2005
Turkey	2007
Albania	2007
Macedonia	2007
Estonia	2007
Latvia	2007
Lithuania	2007
Montenegro	2010
Bosnia-Herzegovina	2011
Moldova	2014

(Source: Internal information of the Issuer.]

Capital Assets

Overview

VIG Group's financial results are highly dependent on the quality and performance of VIG Group's investment portfolio. In the first three quarters in 2014, VIG Group's profit from capital investments and interest was EUR 844.06 million and in the total business year 2013 it was EUR 1,218.82 million. VIG Group's capital investments (excluding cash and cash equivalents) total EUR 30,162.00 million as of 30 September 2014 and EUR 29,200.54 million as of 31 December 2013. These figures refer to capital investments excluding the capital investments of unit-linked and index-linked life insurance, as those are not at risk for VIG Group.

VIG Group's capital investments are comprised of fixed-interest securities (bonds, loans/credit), equity, real estate, participations and structured investment products. All such investments take VIG Group's overall risk position into consideration in accordance with the investment strategy provided for this purpose. When determining volumes and limits for open transactions, the risk inherent in the specified categories and market risk are of fundamental importance. The capital investment strategy is specified in VIG Group's investment guidelines, which are constantly monitored for compliance by the central risk controlling unit and internal audit. Investment guidelines are centrally established and all VIG Group companies are required to comply with these guidelines, taking the respective local regulations into account.

The capital investment strategy for Austria can be summarized as follows:

- VIG Group follows a long-term, conservative investment policy, i.e. VIG Group emphasizes investments in Investment Grade Bonds and does not rely on trading gains to generate financial results.
- VIG Group focuses on using its asset mix to ensure that cash flows match its long-term liability profile and to create permanent increases in value by utilizing correlation and diversification effects for the individual asset classes.

- Depending on the asset class in question or on the objective within asset classes, investments are managed within VIG Group or by outside management. Decisions in this regard are made by a committee set up for this purpose.
- Market risk management for securities is aimed both at providing a transparent view of the potential risks arising from price, interest-rate and currency fluctuations as they affect the value and results of security investments, and at minimizing these risks. Risks are mitigated by setting position limits and by using a two-level limit system for potential risks.
- Changes in the market are monitored continuously and the allocation of portfolio assets is actively adjusted.

The capital investment strategy for the CEE region can be summarized as follows:

- The investment policy is more conservative than that for Austria.
- The focus is on liquid investment categories, primarily fixed-interest securities. Equity investments are of secondary importance.

Investment Portfolio

In accordance with VIG Group's investment policy, VIG Group's directly held investment portfolio contains a large proportion of fixed-interest securities and loans in the amount of approximately 78%. Direct holdings in shares amount to approximately 2% and in real estate to 6% (as of 30 September 2014), respectively, as a percentage to the book value of the total investment portfolio.

The table below sets forth the distribution of investments in VIG Group portfolio as of 30 September 2014 and as of 31 December 2013, broken down into the property and casualty, health, and life insurance segments:

(in EUR million)

	30 September 2014 unaudited			**31 December 2013** audited		
	Property / Casualty	**Life**	**Health**	**Property / Casualty**	**Life**	**Health**
Land and buildings	757.64	853.50	87.87	1,710.06	876.23	89.25
Shares in at equity consolidated companies	615.61	61.23	0.00	386.01	61.34	0.00
Loans and bonds classified as loans	195.96	2,342.44	133.54	190.50	2,456.39	89.37
Reclassified loans	62.27	412.29	14.45	64.99	503.70	14.35
Other securities	4,241.39	18,242.75	1,026.12	3,989.17	16,582.45	976.11
Held to maturity	661.02	1,492.49	0.00	668.43	1,421.45	0.00
Reclassified as held to maturity	192.62	719.15	0.00	193.69	735.13	0.00
Available for sale	3,229.31	15,770.56	1,006.25	2,851.63	14,109.59	957.50
Assets held for trading	109.52	61.38	0.00	208.01	74.56	0.00
Financial Instruments recognized at fair value through profit and loss	48.92	199.18	19.87	67.41	241.72	18.61
Other investments	471.36	613.18	30.42	516.74	659.56	34.32
Total	6,344.24	22,525,38	1,292.39	6,857.47	21,139.67	1,203.40

(Source: 2013 Audited Consolidated Financial Statements and Internal calculations of the Issuer.)

As of 30 September 2014, approximately 90.27% of the investments in the "Other investments" category consist of bank deposits (as of 31 December 2013: 90.79%)

Bonds

As of 30 September 2014, VIG Group's directly held bond portfolio represented approximately 68% of the total investments. Including the proportion of bonds held by institutional funds, this results in a share of bonds in the amount of approximately 70% based on the total investments. VIG Group actively manages its bond portfolio using estimates of changes in interest rates, spreads and creditworthiness and taking into account limits on investments related to individual issuers, creditworthiness, maturity, countries, currencies and issue volume. Investments in fixed-interest securities are almost always currency-congruent, i.e., made in the same currency as the obligations to policyholders.

The goal is to achieve the greatest possible diversification among individual issuers, avoid accumulation risks, ensure good average creditworthiness, control foreign currency effects and make the majority of investments in mid to long-term maturities. As per the risks in connection with the Issuer's holding of certain subordinated notes issued by HYPO ALPE-ADRIA-BANK INTERNATIONAL AG, please see the risk factor "The Issuer might be required to write down its claim under certain subordinated notes issued by HYPO ALPE-ADRIA-BANK INTERNATIONAL AG"

Loans

As of 30 September 2014, VIG Group's loan portfolio had a book value of EUR 3,160.94 million (as of 31 December 2013: EUR 3,319.29 million). Investments in loans and credits are used to create long-term positions for the insurance business, and are made only in instruments with high quality creditworthiness, particularly those from public institutions and non-profit housing societies, as well as mortgage loans. Overall, the loan portfolio in the corporate sector is increasing relative to VIG Group's total investment portfolio whereas the loans to the Austrian federal government and local authorities have become minor important. Public institutions are instead increasingly raising needed financing by issuing bonds.

The following table sets forth VIG Group's loan portfolio as of 30 September 2014 and as of 30 December 2013, broken down by the different types of loans (excluding the reclassified loans):

Amortised cost

	(in EUR million)	
	As of 30 September 2014	**As of 31 December 2013**
Loans to non-consolidated affiliated companies	95.08	102.62
Loans to participations	18.01	18.75
Mortgage loan	568.64	421.15
Policy loans and prepayments	34.74	38.00
Other loans	1,955.47	2,155.74
Total	2,671.94	2,736.26

(Source: Internal calculations of the Issuer.)

VIG Group's loan portfolio is focused primarily on borrowers within Austria. In comparison with the bond portfolio, the loan portfolio includes investments in long-term financing loans that were made in the last few years, as well as investments in formerly long-term Austrian government financing loans.

Equity

As of 30 September 2014, VIG Group's directly held equity investments (excluding participations in companies) amounted to approximately 2% (as of 31 December 2013 approximately 2%) of the total book value of VIG Group's investment portfolio, while if equity investments held via public funds also included, total investment in equities was approximately 4% (as of 31 December 2013:

4%). In accordance with the investment guidelines for Austria, investments are managed using the "top-down" approach, subject to the constraint that diversification be used to reduce the market price risk of equity as much as possible.

Risk diversification within VIG Group's equity portfolio shall be achieved by geographic diversification. In addition to investments in international blue-chip securities, the portfolio also contains certain highly liquid blocks of shares in exchange-listed Austrian companies. The CEE VIG Group Companies are constrained by restrictive investment rules issued by VIG Group with the result that equity investments form only an insignificant part of their portfolios. Excluding participations in Group Companies, the equity positions of CEE VIG Group Companies are playing a minor role.

Real Estate

As of 30 September 2014, VIG Group's held real estate portfolio had a book value of EUR 1,699.01 million and a book value of EUR 2,675.54 million as of 31 December 2013. The portfolio of directly held real estate and real estate held in the form of participations is used primarily to create inflation-resistant long-term positions for the insurance business, and to create hidden reserves. The real estate portfolio has represented approximately 6% of the total investment portfolio of VIG Group as of 30 September 2014.

The following table sets forth VIG Group's real estate portfolio as of 30 September 2014 and as of 31 December 2013, broken down by location and type of use of the properties:

	(% of the real estate portfolio)	
	30 September 2014	**31 December 2013**
Austria	63.48%	40.28%
Self-used	9.06%	6.13%
Used by third parties	54.42%	34.16%
Region Central Functions	19.15%	48.51%
Self-used	1.09%	0.65%
Used by third parties	18.06%	47.87%
Other Regions	17.37%	11.21%
Self-used	15.15%	9.78%
Used by third parties	2.22%	1.42%

(Source: Internal calculation of the Issuer and 2013 Audited Consolidated Financial Statements)

Participations

VIG Group focuses predominantly on long-term participations in insurance companies or in companies whose activities are closely associated with the insurance industry. Reflecting greater concentration on the core business, the tendency over the last few years has been towards a reduction in purely financial participations outside of the insurance portfolio. To date, VIG Group has held financial participations in companies in the CEE region, the main purpose of which has been to support the local insurance business operations.

Shares in at equity consolidated companies had a book value of EUR 676.84 million as of the 30 September 2014 compared to EUR 447.35 million as of 31 December 2013, in both cases calculated according to IFRS. The changes in the scope of consolidation result from the change in the consolidation method used for non-profit housing societies.

Credit Rating

In 2014, the Issuer submitted itself to another interactive rating by S&P. In the results of the evaluation published in July 2014, S&P confirmed the Issuer's Financial Strength Rating and Counterparty Credit Rating of "A+", which it had issued in July 2005. The outlook of the Issuer was rated as "stable" (see below for a precise definition of this rating).

The S&P rating assigned to the Issuer is defined as follows:

Insurer Financial Strength Ratings. Insurer Financial Strength Ratings evaluate the financial stability of an insurance company and therefore the company's ability to fulfil the obligations arising from its insurance business when needed. The ratings range from AAA (best rating), through AA, A, BBB, BB, B, CCC, to CC (worst rating). Ratings from "AAA" to, and including, "BBB" are referred to as "investment grade" ratings. Distinctions within the rating categories from AA to CCC may be indicated by adding a "+" or "-" sign to the rating. An insurer rated 'A' has strong financial security characteristics, but is somewhat more likely to be affected by adverse business conditions than are insurers with higher ratings.

The Counterparty Credit Rating. The Counterparty Credit Rating is a general assessment of a borrower's ability to make payments on its financial obligations. The rating scale also ranges from AAA (best rating), through AA, A, BBB, BB, B, CCC, to CC (worst rating). Ratings from "AAA" down to and including "BBB" are again classified as "investment grade". Distinctions within the rating categories from AA to CCC may be indicated by adding a "+" or "-" sign to the rating. According to S&P's assessment, a borrower with an "A" rating has a strong capacity to meet its financial obligations, but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than borrowers in higher-rated categories.

Each rating only expresses S&P assessment at the time that the rating is awarded. S&P may change its rating at any time. The S&P rating outlook provides an assessment of the potential direction of a long-term rating over the medium or long term. The assessment of a "stable" outlook means that S&P estimates that there is only a small probability that the rating will change in the near future. A discussion of the risks that could result from a lowering of the rating for the Issuer is contained in the section entitled "Risk Factors" ("Rating agencies may suspend, downgrade or withdraw a rating of VIG or of a country where VIG Group is active, and such suspension, downgrade or withdrawal could have material adverse effects on VIG's business").

The following securities issued by VIG are have been assigned ratings from S&P which are currently as follows:

- "EUR 250.000.000 Tief nachrangige, fest und variabel verzinsliche Inhaberschuldverschreibungen ohne Fälligkeitstag" (EUR 250,000,000 deeply subordinated, fix to floating rate bearer notes without maturity) issued under the EUR 500,000,000 Hybrid Debt Issuance Programme (ISIN: AT0000A09SA8): A-
- "EUR 180.000.000 Ergänzungskapitalanleihe 2005-2022" (EUR 180,000,000 Supplementary Capital Notes 2005-2022) (ISIN AT0000342696): A-
- "Variable Ergänzungskapitalanleihe 2005" (Floating Supplementary Capital Notes 2005) (ISIN AT0000342704): A-
- "EUR 500,000,000 Subordinated Notes due 2043" issued pursuant to the Euro 500,000,000 Subordinated Debt Issuance Note Programme (ISIN: AT0000A12GN0): A-

Standard & Poor's Credit Market Services Europe Ltd. ("**S&P**") is registered under Regulation (EC) No. 1060/2009 of the European Parliament and of Council of 16 September 2009 on credit rating agencies as amended (credit rating agency regulation, the "**CRA Regulation**") as registered rating agencies. The European Securities and Markets Authority publishes on its website (http://www.esma.europa.eu) a list of credit rating agencies registered in accordance with the CRA Regulation. That list shall be updated within five working days following the adoption of a decision under Articles 16, 17 or 20 of the CRA Regulation. The European Commission publishes that updated list in the Official Journal of the European Union within 30 days following the updates.

Legal and Arbitration Proceedings

The Issuer and its affiliated companies are involved in a number of legal proceedings resulting from the ordinary course of their respective business. The management of the Issuer does not expect legal disputes, legal proceedings government or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), to which affiliated companies of VIG Group are a party or which are threatened to be brought against them will have a material adverse effect on the Issuer's or VIG Group's consolidated financial position or profitability.

In their capacity as insurance companies, the affiliated companies of VIG Group are involved as a defendant in a number of court proceedings or have been threatened with legal actions. In addition, there are proceedings to which affiliated companies of VIG Group are not a party, but whose outcome can have an effect on it due to agreements with other insurance companies on participation in losses. In the opinion of VIG Group's management adequate provisions for Austrian affiliated companies have been set aside for all claims, based on the amount in dispute.

Subject to the above, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering the previous 12 months from the date of the approval of this Prospectus which may have, or have had in the recent past, significant effects on the Issuer and/or Group's financial position or profitability.

Trademarks and Patents

The names and/or the word-and picture combinations including "VIENNA INSURANCE GROUP" and "VIG" have been applied for and registered as a trademark in Austria and many other countries, including all countries of importance to VIG Group's business operations. Trademarks protecting the words and/or the word-and picture combinations used by the key companies in VIG Group have also been applied for and registered in Austria and in the countries in which they are located and in other countries relevant to the Issuer' business operations.

The Issuer and its VIG Group companies are the owners of a number of domains, including "vig" and "Vienna-insurance-group" in combination with several top level domains like "com", "biz", "eu", "info", "net" and numerous country-specific top level domains (in particular "at", "it", "si", "bg", "cz", "hu", "pl", "ro" and "sk").

Patents are of no importance to the operations of VIG Group.

Material Contracts

The Issuer has not entered into material contracts, other than contracts entered into in the ordinary course of business, except for the following agreements:

General Distribution Agreement. The Issuer and Erste Group are parties to a long term general distribution agreement. The agreement governs a comprehensive mutual preferred distribution partnership between VIG Group and Erste Group and secures the distribution of VIG Group's insurance products through Erste Group companies in all countries in which Erste Group is active. The agreement remains in force until 31 December 2023 and, unless it will not be terminated, it can be extended for another ten years.

There are no agreements, which have been entered into by any affiliated company of VIG Group which contain a provision pursuant to which one of the affiliated companies of VIG Group would incur an obligation or receive a right that would be of material significance for VIG Group and was not entered into in the ordinary course of business.

Recent Developments

Investment results are likely to remain under pressure due to low interest rates and the continued uncertainty surrounding sovereign debts. Over the coming years, the CEE region will continue to be a region that is economically heterogeneous, in the sense of showing a North-South divide, and dependent on the strength of the Euro-zone. The historically low interest rate levels could have negative effects on the Issuer's life insurance business.

Management

The Issuer has a two-tier management system. The management board is in charge of the day-to-day business and represents the company vis-à-vis third parties. The supervisory board appoints the members of the management board, removes them from office and supervises the management activities of the management board. The supervisory board is authorised to represent the Issuer in legal transactions with members of the management board and, in certain cases, in legal disputes against members of the management board. As a rule, the supervisory board is not authorised to make management decisions, but pursuant to the Austrian Stock Corporation Act (*Aktiengesetz*) and the Issuer's articles of association, the management board is obligated to seek the consent of the supervisory board for certain actions.

The management board must report to the supervisory board at regular intervals on the business activities and the financial position of the Issuer. The supervisory board may also request special reports to be prepared on any matter relating to management.

The members of the management board and the supervisory board can be contacted at the following address: VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe, Schottenring 30, 1010 Vienna, Austria (telephone number: +43 (0) 50390-22 000).

Members of the Management Board

The Issuer's management board is composed of at least three, at most seven persons according to its articles of association. Substitute management board members may be appointed. The following persons are currently members and substitute members of the Issuer's management board:

Name	Age	Position	Member since	Appointed until
Peter Hagen	55	General manager, chairman	2004	30 June 2018
Franz Fuchs	61	Member	2009	30 June 2018
Peter Höfinger	43	Member	2009	30 June 2018
Martin Simhandl	53	Chief financial officer, member	2004	30 June 2018
Martin Divis, MBA	41	Substitute member	2011	30 June 2018
Judit Havasi	39	Substitute member	2011	30 June 2018

(Source: Internal information of the Issuer)

Peter Hagen

Peter Hagen's primary areas of responsibility in the Issuer's management board are the management of VIG Group, strategic planning, public relations, sponsoring, public and regulatory affairs, people management, performance management motor vehicle insurance, business development (joined area with Mr. Höfinger), VIG Group IT / SAP smile solutions and international processes and methods. The countries for which he is responsible are Austria (inclusive coordination of s Versicherungsgruppe), the Czech Republic and Romania (BCR Life and ASIROM).

Peter Hagen currently holds the following positions outside VIG Group.

- member of the supervisory board of voestalpine AG.

Franz Fuchs

Franz Fuchs’s primary areas of responsibility in the Issuer's management board are asset risk management and performance management for personal insurance. The countries for which he is responsible are the Baltic States, Poland, Romania (Omniasig), Moldova and Ukraine.

Franz Fuchs currently holds the following positions outside VIG Group:

- deputy chairman of the supervisory board of C-Quadrat Investment AG.

Peter Höfinger

Peter Höfinger's primary areas of responsibility in the Issuer's management board are international corporate and large customer businesses, Vienna International Underwriters, reinsurance, business development (joined area with Mr. Hagen). The countries for which he is responsible are Albania (incl. Kosovo), Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, Hungary, Macedonia, Montenegro, Serbia and Slovakia.

Peter Höfinger currently holds no positions outside of VIG Group.

Martin Simhandl

Martin Simhandl's primary areas of responsibility in the Issuer's management board are asset management, subsidiaries department, finance and accounting, law, internal capital model project (project Solvency II) and treasury/capital market. The countries for which he is responsible are Germany, Georgia, Liechtenstein and Turkey.

Martin Simhandl holds the following positions outside of VIG Group:

- member of the supervisory board of Ringturm Kapitalanlageges.m.b.H.;
- member of the supervisory board of Wiener Hafen Management GmbH;
- member of the supervisory board of Vienna 3420 Aspern Development AG;
- member of the supervisory board of Wiener Börse AG; and
- member of the supervisory board of CEESEG Aktiengesellschaft.

The other members of the Issuer's management board hold no positions outside VIG Group.

The entire Managing Board is responsible for the enterprise risk management (actuarial department/Solvency II), general secretariat, group compliance, group controlling, internal audit and investor relations.

Members of the Supervisory Board

The Issuer's supervisory board is composed of members elected by the Issuer's shareholders' meeting. In accordance with the articles of association of the Issuer, the supervisory board must consist of at least three at most ten members elected by the shareholders' meeting. Currently, the supervisory board of the Issuer is composed of ten members elected by the shareholders' meeting.

The term of office of the members of the supervisory board elected by the shareholders' meeting terminates at the end of the shareholders' meeting in which the supervisory board actions for the fourth business year following the election are formally approved. Re-election (also more than once) is admissible.

The following table sets forth information on the persons who are currently members of the supervisory board:

Name	Age	Position	Member since	Appointed until
Günter Geyer	71	Chairman	2014	2019
Karl Skyba	75	Deputy chairman	1992	2019
Bernhard Backovsky	72	Member	2002	2019
Martina Dobringer	68	Member	2011	2019
Rudolf Ertl	68	Member	2014	2019
Maria Kubitschek	52	Member	2014	2019
Heinz Öhler	69	Member	2002	2019
Reinhard Ortner	66	Member	2007	2019
Georg Riedl	55	Member	2014	2019
Gertrude Tumpel-Gugerell	62	Member	2012	2019

(Source: Internal information of the Issuer)

Martina Dobringer

Martina Dobringer currently holds the following positions outside VIG Group:

- member of the supervisory board of Praktiker AG.

Georg Riedl

Georg Riedl currently holds the following positions outside VIG Group:

- member of the supervisory board of AT&S Austria Technologie und Systemtechnik AG; and
- member of the supervisory board of Bwin.Party Digital Entertainment Plc

Gertrude Tumpel-Gugerell

Getrude Tumpel-Gugerell currently holds the following positions outside VIG Group:

- member of the supervisory board of Commerzbank AG; and

The other members of the Issuer's supervisory board hold no positions outside VIG Group.

Supervisory Board Committees

The Issuer's supervisory board has formed the following committees:

Committee for Urgent Matters (Working Committee)

This committee decides on matters that require the approval of the supervisory board and which, due to urgent circumstances, may not be delayed until the next ordinary meeting of the supervisory board.

The current members of the committee for urgent matters (working committee) are: Günter Geyer (first substitute: Gertrude Tumpel-Gugerell; second substitute: Reinhard Ortner), Karl Skyba (first substitute: Georg Riedl; second substitute: Reinhard Ortner) and Rudolf Ertl (first substitute: Martina Dobringer; second substitute: Reinhard Ortner).

Audit Committee (Accounts Committee)

The audit committee (accounts committee) is responsible for accounting issues and for auditing the Issuer and VIG Group. It is responsible for the following duties: (i) monitoring the accounting process; (ii) monitoring the effectiveness of the Issuer's internal control system, internal auditing system and risk management systems, (iii) monitoring audits of the financial statements and consolidated financial statements, (iv) examination and monitoring of the independence of the financial statements auditor (consolidated financial statements auditor), in particular with respect to additional services provided for the audited company, (v) auditing of the annual financial statements and preparations for their approval, examination of the proposal for appropriation of profits, management report and corporate governance report, and presentation of a report on the audit findings to the supervisory board, (vi) auditing of the consolidated financial statements and VIG Group's management report, presentation of a report on the audit findings to the supervisory board of the parent company, and (vii) preparation of the supervisory board's proposal for choosing the financial statements auditor (consolidated financial statements auditor).

The current members of the audit committee (accounts committee) are: Gertrude Tumpel-Gugerell (first substitute: Georg Riedl; second substitute: Heinz Öhler), Reinhard Ortner (first substitute: Martina Dobringer; second substitute: Heinz Öhler), Günter Geyer (first substitute: Maria Kubitschek; second substitute: Heinz Öhler) and Rudolf Ertl (first substitute: Karl Skyba; second substitute: Heinz Öhler).

Committee for Managing Board Matters (Compensation Committee)

The committee for managing board matters (compensation committee) deals with the personnel matters regarding the Issuer's management board. The committee for managing board matters (compensation committee) therefore decides on the terms of employment contracts with members of the Issuer's management board and their compensation, and examines remuneration policies at regular intervals.

The current members of the committee for managing board matters (compensation committee) are: Günter Geyer and Karl Skyba (first substitute in both cases: Rudolf Ertl).

Strategy Committee

In cooperation with the management board and, if applicable, with experts, the strategy committee prepares strategic resolutions which subsequently are to be adopted by the supervisory board.

The current members of the strategy committee are: Günter Geyer (first substitute: Gertrude Tumpel-Gugerell; second substitute: Reinhard Ortner), Karl Skyba (first substitute: Georg Riedl; second substitute: Reinhard Ortner) and Rudolf Ertl (first substitute: Martina Dobringer; second substitute: Reinhard Ortner).

Additional Information Regarding the Members of the Management Board, Supervisory Board, and the Extended Group Committee

None of the members of the management board, supervisory board and the extended group committee of the Issuer has potential conflicts of interests between any duties vis-à-vis the Issuer and their private interests and/or other duties.

Capital Structure

The current share capital of the Issuer amounts to EUR 132,887,468.20 and is divided into 128,000,000 non-par value ordinary shares. The shares of the Issuer are listed on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange and are included in the Austrian Traded Index (ATX) since 19 September 2005. Since 5 February 2008 the shares of the Issuer have been listed on the Main Market of the Prague stock exchange.

The Issuer's management board is authorised to increase, by 2 May 2018, at the latest, the share capital of the Issuer, also in several tranches, by a nominal value of EUR 66,443,734.10 by issuing 64,000,000 no-par value shares in registered or in bearer form for contributions in cash or in kind. The Issuer's management board, with the consent of the Issuer's supervisory board, shall decide on the contents of the rights granted with each share, on the exclusion of subscription rights and on all other conditions of the issuance of shares.

The share capital of the Issuer has been increased, on a conditional basis, in accordance with § 159 (2) (1) of the Austrian Stock Corporation Act by up to EUR 31,145,500.36, by issuing of up to 30,000,000 voting no-par value bearer shares. The conditional capital increase shall be carried out only to the extent that owners of convertible bonds issued on the basis of the resolution of the Issuer's annual general meeting of 3 May 2013 exercise their subscription rights or conversion options.

Major Shareholders

The Issuer's principal shareholder is Wiener Städtische Wechselseitiger Versicherungsverein – Vermögensverwaltung – Vienna Insurance Group. Wiener Städtische Wechselseitiger Versicherungsverein – Vermögensverwaltung – Vienna Insurance Group holds shares representing approximately 70% of the share capital of the Issuer.

Corporate Governance

The Issuer complies with all of the "legal requirements" of the Austrian Code of Corporate Governance as required by law. The Issuer deviates from one "comply or explain" rule, as explained below:

Rule 41:

The supervisory board (*Aufsichtsrat*) shall set up a nomination committee. In cases of supervisory boards with no more than six members (including employee representatives), this function may be exercised by all members jointly. The nomination committee submits proposals to the supervisory board for filling positions that become free in the managing board and deals with issues of successor planning.

Explanation: Because of its special importance, the issue of successor planning is handled by the supervisory board as a whole. The Issuer's supervisory board has therefore not established a nomination committee.

Significant Changes in the financial or trading position

There have been no significant changes in the financial or trading position of VIG Group since 30 September 2014.

Material Adverse Changes in the Prospects

There have been no material adverse changes in the prospects of the Issuer since 31 December 2013.

Recent Events

there are no recent events particular to the Issuer that are to a material extent relevant to the evaluation of the Issuer's solvency.

Investments

The Issuer has not made any principal investments since 31 December 2013 and there are no principal future investments, on which VIG's management bodies have already made firm commitments.

GLOSSARY OF TECHNICAL TERMS AND ABBREVATIONS

2012 Audited Consolidated Financial Statements	means the VIG Group Annual Report 2012 containing the audited consolidated (i.e. VIG together with its consolidated affiliates taken as a whole) financial statements for the year 2012 (non-binding English translation of the German language version).
2012 Audited Non-Consolidated Financial Statements	means the audited non-consolidated (i.e. VIG only without its consolidated affiliates) annual financial statements 2012 (non-binding English translation of the German language version).
2013 Audited Consolidated Financial Statements	means the VIG Group Annual Report 2013 containing the audited consolidated (i.e. VIG together with its consolidated affiliates taken as a whole) financial statements for the year 2013 (non-binding English translation of the German language version).
2013 Audited Non-Consolidated Financial Statements	means the audited non-consolidated (i.e. VIG only without its consolidated affiliates) annual financial statements 2013 (non-binding English translation of the German language version).
2012 Fiscal Year	means 1 January 2012 until 31 December 2012.
2013 Fiscal Year	means 1 January 2013 until 31 December 2013.
30 / 360	means a day count fraction as specified in § 3 (1) of the Terms and Conditions of the Notes.
30E / 360	means a day count fraction where the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period).
360 / 360	means a day count fraction as specified in § 3 (1) of the Terms and Conditions of the Notes.
Accounting Event	means an Accounting Event as specified in § 5 of the Terms and Conditions of the Notes.
acquisition expense ratio	means the ratio of acquisition expense gross divided by gross earned premium.
Actual / 360	means a day count fraction where the actual number of days in the Calculation Period is divided by 360.
Actual / 365 (Fixed)	means a day count fraction where the actual number of days in the Calculation Period is divided by 365.
Actual / Actual (ICMA)	means a day count fraction as specified in § 3 (1) of the Terms and Conditions of the Notes.

Actual / Actual (ISDA)	means a day count fraction where the actual number of days in the Calculation Period is divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period not falling in a leap year divided by 365).
administrative expense ratio	means the ratio of administrative expenses divided by gross earned premium.
Agency Agreement	means the Agency Agreement dated the date of this Prospectus.
Applicable Insolvency Law	means the provisions of the relevant insolvency laws, including (but not limited to) the Austrian Insolvency Code (*Insolvenzordnung - IO*), and any rules and regulations thereunder (including any applicable decision of a court) applicable to the Issuer, as amended from time to time.
Applicable Supervisory Law	means (i) the provisions of Austrian insurance regulatory law, including (but not limited to) the Austrian Insurance Supervision Act; (ii) Solvency II, after the Solvency II Implementation Date; (iii) any regulations, standards, guidelines, rulings, decisions or other rules as well as generally recognised administrative practices of the Supervisory Authority; and/or (iv) any standards or guidelines of the European Insurance and Occupational Pensions Authority (EIOPA) or any such successor authority, in each case, regarding capital requirement purposes of the Issuer, the Issuer's group and/or the group of Wiener Städtische Wechselseitiger Versicherungsverein, as amended from time to time.
Arranger	means Erste Group Bank AG
Arrears of Interest	means Arrears of Interest as specified in § 3 (3) of the Terms and Conditions of the Notes.
Asirom	Asigurarea Românească – ASIROM Vienna Insurance Group S.A.
Austrian Capital Market Act	means the Austrian Capital Market Act (*Kapitalmarktgesetz - KMG*), as amended from time to time.
Austrian Insurance Supervision Act	means the Austrian Insurance Supervision Act (*Versicherungsaufsichtsgesetz - VAG*), as amended from time to time.
BCR	means BCR Asigurări de Viaţă Vienna Insurance Group S.A.
Benefia	means BENEFIA Towarzystwo Ubezpieczeń S.A. Vienna Insurance Group
BIAC	means Business Insurance Application Consulting GmbH.
Business Day	means a Business Day as specified in § 1 (7) of the Terms and Conditions of the Notes.

Business Day Convention	means Business Day Convention as specified in § 3 (2) of the Terms and Conditions of the Notes.
Calculation Period	means any period of time in respect of the calculation of an amount of interest on any Note.
CBF	means Clearstream Banking AG, Frankfurt am Main.
CBL	means Clearstream Banking, société anonyme, Luxembourg.
CEE	means Central and Eastern European Countries.
CEE VIG Group Companies	means all subsidiaries of VIG Group, which are active in the CEE region (i.e. in particular Albania, Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Georgia, Hungary, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Serbia, Slovakia, Slovenia, Turkey and Ukraine.e
Central Functions	The "Central Functions" segment includes the following companies: BIAC, Central Point, ELVP, LVP Holding, Neue Heimat Holding, Progress, TBIH, VIG Fund, VIG Holding, VIG RE and the non-profit housing societies. VIG Holding primarily focuses on the managerial tasks for the Group. It is also active as an international reinsurer and in the international corporate business.
Central Point	means Central Point Insurance IT-Solutions GmbH.
Clearing System	means the Clearing System specified in § 1 (4) of the Terms and Conditions.
Compensa Life	means Compensa Towarzystwo Ubezpieczeń Na Życie S.A. Vienna Insurance Group
Compensa Non-Life	means Compensa Towarzystwo Ubezpieczeń S.A. Vienna Insurance Group
Compulsory Interest Payment Date	means the Compulsory Interest Payment Date as specified in § 3 (2) of the Terms and Conditions of the Notes.
Compulsory Interest Payment Event	means the Compulsory Interest Payment Event as specified in § 3 (2) of the Terms and Conditions of the Notes.
Compulsory Settlement Date	means the Compulsory Settlement Date as specified in § 3 (2) of the Terms and Conditions of the Notes.
Conditions to Redemption	means the Conditions to Redemption as specified in § 5 of the Terms and Conditions of the Notes.
Conditions to Settlement	means the Conditions to Settlement as specified in § 3 (4) of the Terms and Conditions of the Notes.
Confidence Indicator	means an economic indicator which measures the degree of optimism that consumers feel about the overall state of the economy and their personal financial situation.
CRA Regulation	means Regulation (EC) No. 1060/2009 of the European

	Parliament and of Council of 16 September 2009 on credit rating agencies as amended.
Consolidated Financial Statements	means an audited consolidated financial statements of the Issuer for the 2012 Fiscal Year and the 2013 Fiscal Year.
ČPP	means Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group
CRS	means the standards for automatic exchange of financial account information in tax matters developed by the OECD (Common Reporting Standards)
Custodian	means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Noteholder maintains a securities account in respect of the Notes and includes the Clearing System.
Dealers	References to "Dealers" means Erste Group Bank AG in its capacity as Dealer and to such additional persons that are appointed as dealers in respect of the whole Programme.
Determination Date	means the Determination Date as specified in § 3 (1) of the Terms and Conditions of the Notes.
Determination Period	means each period from and including a Determination Date in any year to but excluding the next Determination Date.
Donau	means DONAU Versicherung AG Vienna Insurance Group.
Early Redemption Event	means an Early Redemption Event as specified in § 5 of the Terms and Conditions of the Notes.
Elements	means the elements out of ehich the Prospectus Summary consists.
ELVP	means ELVP Beteiligungen GmbH.
embedded value	means the net asset value of Vienna Insurance Group plus the present value of potential future profits from existing life and health insurance contracts calculated on the basis of international standards
Erste Group	means Erste Group Bank AG and its subsidiaries and affiliates.
EU-15 Countries	means Austria, Belgium, Denmark, Finland, France, Germany, Great Britain, Greece, Ireland, Italy, Luxemburg, the Netherlands, Portugal, Spain and Sweden.
EU Mutual Assistance Directive	means Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC, as amended from time to time.
EU Savings Directive	means Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments, as amended from time to time.

EUR	means Euro.
EURIBOR	means the Euro Interbank Offered Rate (Euribor) which is a daily reference rate, published by the European Banking Federation, based on the averaged interest rates at which Eurozone banks offer to lend unsecured funds to other banks in the euro wholesale money market (or interbank market).
Euro-Zone	means the region comprised of those member states of the European Union that have adopted, or will have adopted from time to time, the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 07 February 1992) and the Amsterdam Treaty of 02 October 1997, as further amended from time to time.
Eurobond Basis	means Eurobond Basis, a daycount fraction as specified in § 3 (1) and (2) of the Terms and Conditions of the Notes.
Euroclear	means Euroclear Bank S.A./N.V.
FATCA	means the U.S. Foreign Account Tax Compliance Act
FIEL	means the Financial Instruments and Exchange Law of Japan.
Final Maturity Date	means (if applicable) either (i) if on the Scheduled Maturity Date the Conditions to Redemption are fulfilled, the Scheduled Maturity Date; or (ii) the first floating interest payment date following the Scheduled Maturity Date on which the Conditions to Redemption are fulfilled.
Final Terms	means the Final Terms setting forth the applicable terms and conditions for Notes issued under this Prospectus, a form of which is included in this Prospectus.
Financial Intermediaries	means credit institutions within the meaning of Directive 2013/36/EU acting as financial intermediaries subsequently reselling or finally placing the Notes.
First Call Date	means the First Call Date as specified in § 3 (1) of the Terms and Conditions of the Notes
Fixed Day Count Fraction	means a Fixed Day Count Fraction in respect of the calculation of an amount of interest on any Note for any period of time as specified in § 3 (1) of the Terms and Conditions of the Notes.
Fixed Interest Payment Date	means a Fixed Interest Payment Date as specified in § 3 (1) of the Terms and Conditions of the Notes.
Floating Day Count Fraction	means a Floating Day Count Fraction in respect of the calculation of an amount of interest on any Note for any period of time as specified in § 3 (2) of the Terms and Conditions of the Notes.
Floating Interest Payment	means a Floating Interest Payment Date as specified in

Date	§ 3 (2) of the Terms and Conditions of the Notes.
Floating Interest Period	means each period from and including the First Call Date to but excluding the first Floating Interest Payment Date and each successive period from and including a Floating Interest Payment Date to but excluding the following Floating Interest Payment Date.
Floating Rate of Interest	means the Floating rate of Interest as defined in § 3 (2) of the Terms and Conditions of the Notes.
FMA	means the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde - FMA*).
FSMA	means the Financial Services and Markets Act 2000 of the United Kingdom.
GBP	means Great Britain Pound.
GDP	means Gross Domestic Product.
Global Note	means the Permanent Global Note and, together with the Temporary Global Note, each a Global Note.
Gross Domestic Product	means the gross domestic product ("**GDP**") is the market value of all officially recognized final goods and services produced within a country in a given period of time.
Gross-up Event	means a Gross-up Event as specified in § 5 of the Terms and Conditions of the Notes.
HaaSanG	means the Austrian law on reorganisation measures for HETA (*Bundesgesetz über Sanierungsmaßnahmen für die HYPO ALPE ADRIA BANK INTERNATIONAL AG - HaaSanG*).
HaaSanV	means the FMA regulation according to which certain subordinated liabilities and the liabilities from the Province of Carinthia (*Landeshaftung*) (including the HBInt-Notes held by members of the VIG Group) of HETA are extinguished by force of law (*Durchführung von Sanierungsmaßnahmen gemäß § 7 Abs. 2 in Verbindung mit § 3 und § 4 Abs. 1 HaaSanG* - *HaaSanV*).
HETA	means HETA ASSET RESOLUTION AG (formerly "HYPO ALPE-ADRIA-BANK INTERNATIONAL AG").
HBInt-Notes	means certain subordinated notes issued by HBInt.
IASB	means the International Accounting Standards Board
IBNER	means the incurred but not enough reserved.
IBNR	means the incurred but not reported.

ICMA	means the International Capital Markets Association.
ICSD	means the International Central Securities Depository, such as CBL and Euroclear.
InterRisk	means InterRisk Towarzystwo Ubezpieczeń S.A. Vienna Insurance Group.
ISDA	means the International Swaps and Derivatives Association, Inc.
IFRS	means the International Financial Reporting Standards
IMF WEO 10/2014	means the World Economic Outlook which from October 2014 which was published by the International Monetary Fund and can be retrieved on its website (currently http://www.imf.org/external/pubs/ft/weo/2014/02/)
Industry and Market Data	means the information regarding markets, market size, market share, market position, growth rates and other industry data pertaining to VIG Group's business, consisting of estimates based on data and reports compiled by professional organizations and analysts, data from other external sources and on the Issuer's knowledge of the markets.
Insolvency Event	means an Insolvency Event as specified in § 3 (2) of the Terms and Conditions of the Notes.
Insurance Density	means the total insurance premiums in a country in relation to the population of a country, calculated in per capita insurance premiums per year.
Interest Amount	means an Interest Amount as specified in § 3 (2) of the Terms and Conditions of the Notes.
Interest Commencement Date	means the Interest Commencement Date as specified in § 3 (1) of the Terms and Conditions of the Notes.
Interest Determination Date	means an Interest Determination Date as specified in § 3 (2) of the Terms and Conditions of the Notes.
Interest Payment Date	means each Fixed Interest Payment Date and each Floating Interest Payment Date.
Interest Period	means each Fixed Interest Period and each Floating Interest Period.
Investment Grade Bonds	means the bonds with a rating of AAA to BBB according to S&P rating standards.
Issue Date	means the date of payment and settlement of the Notes. In the case of free delivery, the Issue Date is the delivery date.

Issuer	means VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe.
Junior Instruments	means Junior Instruments as specified in § 2 (1) of the Terms and Conditions of the Notes.
Listing Agent	means Erste Group Bank AG.
Komunálna	means KOMUNÁLNA poisťovňa, a.s. Vienna Insurance Group.
Kooperativa (CZ)	means KOOPERATIVA poisťovňa, a.s. Vienna Insurance Group.
Kooperativa (SK)	means Kooperativa pojišťovna, a.s., Vienna Insurance Group.
LIBOR	means the London Interbank Offered Rate (LIBOR) which is the average interest rate estimated by leading banks in London that the average leading bank would be charged if borrowing from other banks.
London Business Day	means a day which is a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency) in London.
Loss Absorbing Instruments	means all outstanding Supplementary Capital of the Issuer that participate in the net losses of the Issuer pursuant to Section 73c(2)(3) VAG.
LVP	means the LVP Holding GmbH.
Management Board	means the management board (Vorstand) of the Issuer
Mandatory Suspension Event	means a Mandatory Suspension Event as specified in § 3 (2) of the Terms and Conditions of the Notes.
Margin	means the Margin as specified in § 3 (2) of the Terms and Conditions of the Notes.
Markets	means the Second Regulated Market (*Geregelter Freiverkehr*) of the Vienna Stock Exchange and/or the regulated market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*).
MCR	means the Minimum Capital Requirement (MCR) pursuant to Solvency II applicable to the Issuer's group and/or the WST-Versicherungsverein's group.
Neue Heimat Holding	means Neue Heimat Oberösterreich Holding GmbH.
net-combined ratio	means the gross ratio of the total of all items in the income statement that contribute to the profit before taxes, except for income from capital assets *(excl. other non-technical income and expenses)* and the value of gross earned premiums itself divided by gross earned premiums. If this ratio is less than 100%, the company is earning a profit from the underwriting

	portion of the business. This ratio is only calculated for property and casualty insurance. Since the reinsurers' share is taken into account in the calculation, the result is a net combined ratio.
New Issuer	means any other company which is appointed as Issuer under this Programme and substituting the Issuer.
Non-Equity Securities	means non-equity securities within the meaning of Art. 22 Nr. 6 (4) of Commission Regulation (EC) no. 809/2004 of 29 April 2004, as amended from time to time, which are issued under this Programme.
Non-Exempt Offer	means an offer of Notes made other than pursuant to Art. 3(2) of the Prospectus Directive in a Relevant Member State.
Noteholder	means a holder of Notes which are issued under this Prospectus.
Notes	means Notes which are issued under this Programme.
Notification	means the procedure according to which the Issuer may request the FMA to provide the competent authority in an EU Member State with a certificate of approval attesting that this Prospectus has been drawn up in accordance with Article 5(4) of the Prospectus Directive and the Austrian Capital Market Act.
OECD	means the Organization for Economic Co-operation and Development.
OeKB	means Oesterreichische Kontrollbank Aktiengesellschaft, Am Hof 4, 1011 Vienna, Austria.
Offer of Notes to the public	means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.
Official Market	means the first tier market of the Vienna Stock Exchange, which qualifies as a “regulated market” pursuant to the Directive 2004/39/EC on markets in financial instruments.
Omniasig Non-Life	means OMNIASIG VIENNA INSURANCE GROUP S.A.
Optional Interest Payment Date	means Optional Interest Payment Date as specified in § 3 (2) of the Terms and Conditions of the Notes.
Optional Settlement Date	means Optional Settlement Date as specified in § 3 (2) of the Terms and Conditions of the Notes.
Parity Instruments	means the Parity Instruments as specified in § 2 (1) of the Terms & Conditions of the Notes.
Payment Business Day	means a Payment Business Day as specified in § 4 of the

	Terms and Conditions of the Notes.
Paying Agent	means Erste Group Bank AG.
PČS	means Pojišťovna České spořitelny, a.s., Vienna Insurance Group.
Permanent Global Note	means a Permanent Global Note in bearer form that represents the Notes.
Polisa	POLISA-ZYCIE Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group.
Principal Amount	means the Principal Amount as specified in § 1 (1) of the Terms and Conditions of the Notes.
Programme	means the Programme of Vienna Insurance Group for the issuance of Notes which is established by this Prospectus
Programme Agreement	means the agreement which is concluded on or about the date of this Prospectus between VIG and Erste Group Bank AG as Arranger and Dealer.
Progress	means PROGRESS Beteiligungsges.m.b.H.
Prospectus	means this Prospectus dated 4 February 2015.
Prospectus Directive	means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended from time to time.
Prospectus Regulation	means Commission Regulation (EC) No. 809/2004 dated 29 April 2004, as amended from time to time.
PSLSP	Poisťovňa Slovenskej sporiteľne, a.s. Vienna Insurance Group.
Rating Agency Event	means a Rating Agency Event as specified in § 5 of the Terms and Conditions of the Notes.
Redemption Amount	means the Redemption Amount as specified in § 5 of the Terms and Conditions of the Notes.
Redemption Event	means a Redemption Event a Gross-up Event, a Tax Event, a Regulatory Event, an Accounting Event or a Rating Agency Event.
Reference Banks	means Reference Banks as specified in § 3 (2) of the Terms and Conditions of the Notes.
Reference Rate	means the Reference Rate as specified in § 3 (2) of the Terms and Conditions of the Notes
Regulation S	means Regulation S under the Securities Act.
Regulatory Event	means Regulatory Event as specified in § 5 of the Terms and Conditions of the Notes.

Relevant Implementation Date	means the date on which the Prospectus Directive is implemented in a Relevant Member State.
Relevant Member State	means each Member State of the European Economic Area which has implemented the Prospectus Directive.
Representative Amount	means an amount that is representative for a single transaction in the relevant market at the relevant time.
Resident of Japan	means resident of Japan as defined under the FIEL.
s Versicherung	means Sparkassen Versicherung AG Vienna Insurance Group.
Scheduled Maturity Date	means the Floating Interest Payment Date wich is falling in the relevant redemption month or redemption year for the Scheduled Maturity Date.
SCR	means the Solvency Capital Requirement (SCR) pursuant to Solvency II applicable to the Issuer's group and/or the WST-Versicherungsverein's group**.**
Screen Page	means the Screen Page as specified in § 3 (2) of the Terms and Conditions of the Notes.
Second Regulated Market	means the market segment "*Geregelter Freiverkehr*" of the Vienna Stock Exchange. The Second Regulated Market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments.
Securities Act	means United States Securities Act of 1933.
Series	means Series of Notes.
Skandia	Skandia Życie Towarzystwo Ubezpieczeń SA Vienna Insurance Group.
Solvency II	means the rules under (i) Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) (recast); (ii) any other respective legislative acts of the European Union, including (but not limited to) the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II)"; and/or (iii) Austrian law implementing the same (but not limited to) the Austrian Insurance Supervision Act 2016 (*Versicherungsaufsichtsgesetz 2016 – VAG 2016*), in each case, as amended from time to time.
Solvency II Implementation Date	means the date on which Solvency II becomes part of the Applicable Supervisory Law, but not before 1 January 2016 (or any later date, in case of a postponement of Solvency II).
Solvency Capital Event	means a Solvency Capital Event as specified in § 3 (3) of the

	Terms and Conditions of the Notes.
Specified Currency	means the Specified Currency as specified in § 1 (1)of the Terms and Conditions of the Notes.
Specified Denomination	means the Specified Denomination as specified in § 1 (1)of the Terms and Conditions of the Notes.
Stabilising Manager(s)	means the Dealer or Dealers (if any) named as the stabilising manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms
Summary	means the summary of this Prospectus which is included in this Prospectus
Supervisory Authority	means the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*) or any successor authority responsible to supervise the Issuer, the Issuer's group and/or the group of WST-Versicherungsverein pursuant to the Applicable Supervisory Law.
Supervisory Board	means the supervisory board (*Aufsichtsrat*) of the Issuer.
Supplementary Capital (*Ergänzungskapital*)	means supplementary capital (*Ergänzungskapital*) pursuant to § 73c (2) of the Austrian Insurance Supervision Act (*Versicherungsaufsichtsgesetz – VAG*), which is eligible as own funds (*Eigenmittel*) and is paid-up capital (i) which is made available to the insurance undertaking for at least five years as agreed upon waiving the right of ordinary and extraordinary call-in; (ii) for which interest may only be paid if covered by the annual surplus (accounting income prior to net loss change in reserves) (*handelsrechtlicher Gewinn vor Nettoveränderung von Rücklagen*); (iii) which may be repaid prior to liquidation only by deducting the net losses accrued during its term on a pro-rata basis; and (iv) which – in the event of winding-up – shall not be repaid before all claims that are neither equity nor participation capital have been satisfied.
S&P	means Standard & Poor's Credit Market Services Europe Limited, a subsidiary of The McGraw Hill Companies, Inc.
TARGET	means the Trans-European Automated Real-time Gross settlement Express Transfer payment system 2 or any successor system thereto.
TARGET Business Day	means a day on which the Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET) is operating.
Tax Event	means a Tax Event as specified in § 5 of the Terms and Conditions of the Notes.
TBIH	means TBIH Financial Services Group N.V.
TEFRA	means the anti-bearer bond rules of the U.S. Tax Equity and Fiscal Responsibility Act (TEFRA).

TEFRA D Rules	means the provisions of U.S. Treasury Regulation § 1.163-5(c)(2)(i)(D) which prohibit issuers and distributors of bearer obligations from offering or selling those obligations to U.S. persons or any persons within the United States or its possessions during a restricted period that begins on the earlier of the first date on which the obligation is offered to persons other than distributors and the closing date, and generally ends 40 days after the closing date (except in respect of unsold allotment securities, with respect to which the restricted period ends when those securities are sold by the relevant distributor, if after the 40-day period).
TEFRA D Notes	means Notes to wich the TEFRA D Rules apply.
Temporary Global Note	means Temporary Global Note in bearer form that represents the Notes.
Terms and Conditions	means the terms and conditions that apply to the Notes and which are set forth in the Prospectus as Option I (for Subordinated Undated Notes) or Option II (for Subordinated Dated Notes) together with the Final Terms.
Tier 1	means own-fund items recognised as tier 1 own-fund items under the transitional provisions of Solvency II.
tier 1 own-fund item	means any tier 1 own-fund item pursuant to Applicable Supervisory Law (including *inter alia* paid-in ordinary share capital and the related share premium account, paid-in initial funds, surplus funds that are not considered as insurance and reinsurance liabilities, paid-in preference shares and the related share premium accounts, a reconciliation reserve, and subordinated liabilities valued in accordance with Article 75 of Directive 2009/138/EC).
Tier 2	means own-fund items eligible as tier 2 own-funds pursuant to Solvency II.
tier 2 basic own-fund item	means any tier 2 own-fund item pursuant to Solvency II (including *inter alia* ordinary share capital and the related share premium account, initial funds, preference shares and the related share premium accounts, a reconciliation reserve, and subordinated liabilities valued in accordance with Article 75 of Directive 2009/138/EC).
Tranche	means Tranche of a Series of Notes.
Unaudited Consolidated Financial Statements as of 30 September 2013	means Interim Report 3rd Quarter 2013 containing the unaudited consolidated (i.e. VIG together with its consolidated affiliates taken as a whole) interim financial statements as of 30 September 2013 (non-binding English translation of the German language version).
Unaudited Consolidated Financial Statements as of 30 September 2014	means Interim Report 3rd Quarter 2014 containing the unaudited consolidated (i.e. VIG together with its consolidated affiliates taken as a whole) interim financial statements as of 30 September 2014 (non-binding English translation of the German language version).

United States	means the United States of America (including the States thereof and the District of Columbia) and its territories (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands) and possessions and other areas subject to its jurisdiction.
Vienna Insurance Group	means the Issuer.
Vienna Stock Exchange	means Wiener Börse AG.
VIG	means the Issuer.
VIG Fund	means VIG FUND uzavreny investicni fond, a.s.
VIG Group	means the Issuer and its subsidiaries and affiliates.
VIG Holding	means the Issuer; this term is used when referring to company itself.
VIG RE	means VIG RE zajist'ovna, a.s.
Wiener Städtische	means WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group.
Withholding Tax	means Withholding Tax as specified in § 7 of the Terms and Conditions of the Notes.
WST-Versicherungsverein	means Wiener Städtische Wechselseitiger Versicherungsverein – Vermögensverwaltung – Vienna Insurance Group.

STATEMENT PURSUANT TO COMMISSION REGULATION (EC) NO 809/2004 OF 29 APRIL 2004 AND PURSUANT TO § 8(1) OF THE AUSTRIAN CAPITAL MARKET ACT

VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe, with its corporate seat in Vienna, Austria, is solely responsible for the information given in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect the import of such information.

VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe
as Issuer (*als Emittentin*)

Vienna,

____
Dr. Peter Hagen
(as member of VIG's management board)

____
Dr. Martin Simhandl
(as member of VIG's management board)

ISSUER

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ARRANGER

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