

Wüstenrot Bausparkasse AG
D-71630 Ludwigsburg, Wüstenrot-Haus
Niederlassung Luxemburg – Luxembourg Branch
33, Parc d'Activité Syrdall, L-5365 Munsbach
B.P. 924, L-2019 Luxembourg

General Terms and Conditions for Building Society Contracts (ABB) Tariff DL, tariff variants Kompakt, Komfort, Premium and Trend for new subscriptions as from 01 February 2016

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Preamble: Content and purpose of a building society contract

A building society contract constitutes targeted saving so as to obtain a loan at a favourable interest rate for housing expenditure.

By concluding a building society contract, the saver becomes a member of a dedicated savings community. Initially there is the savings phase, consisting in payments made by the saver for the benefit of the community. As a result, the saver acquires the right to a subsequent counterpart in the form of a building society loan at an especially advantageous interest rate. The funds for this stem from the money collected from savers, in particular from savings paid in and monthly repayments.

To this end, the saver concludes a building society contract for a determined capital subscribed. If the saver has saved up the minimum amount agreed in the contract and the credit balance has existed for a sufficient time, the contract will be allocated. Through the choice of the amount of the monthly repayment in the case of the Premium tariff variant and (of) the loan interest rate in the case of the tariff variants Komfort and Premium in accordance with § 1 paragraph 3, the saver can substantially influence the period up until allotment and the term and the effective interest payable on the building society loan.

After allotment, the building society, acting at the request of the saver, pays out the balance saved and – after a positive outcome of the lending and creditworthiness check – the building society loan. When the loan phase starts, the saver can therefore dispose of an amount up to the capital subscribed for his financing.

As regards the order of allotment, the building society calculates for each individual building society contract an evaluation index taking account of the capital subscribed and the savings period. It is therefore the saver's saving record that influences the allotment date. The building society contracts benefiting by the highest evaluation indexes are the first to be eligible for allotment.

The uses to which building society loans may be put are regulated by the Law on Building Societies [Bausparkassengesetz]. The most important use is the acquisition of a home through the construction or purchase of an apartment or a house. Other eligible uses include extensions and conversions, renovations, refinancing and the acquisition of housing rights in retirement homes.

To the extent that the General Terms and Conditions for Building Society Contracts leave a certain discretion to the building society, it will take care to ensure equal treatment and will apply different treatment only where there are relevant reasons for doing so. Under the provisions of § 1, paragraphs 3 and 5, § 2 paragraph 1, § 5 paragraph 4, § 13, paragraphs 1 and 3 and § 15 paragraph 1, the building society will take the decisions on the basis of the supervisory principles and criteria provided for in § 5 paragraph 1 alternative 1 of the Law on Building Societies [Bausparkassengesetz], which primarily serve to ensure the functioning of home savings collectives and compliance with mandatory legal requirements. In exercising the discretion given to it by these provisions, the building society may refuse its approval or make it conditional where, for example, the building society contract is already prefunded or the subject of bridging financing or if the tariff is no longer offered for new subscriptions. In the latter case, it may, for instance, be possible to combine an increase in the capital subscribed with a change in the tariff to one which is currently offered by the building society for new subscriptions.

Overview of terms and conditions

Completion fee	1 % of the capital subscribed
Price of the variant (tariff variants Komfort and Premium)	0.10 % of the capital subscribed
Account fee yearly	
Savings phase	15 euros
Loan phase	15 euros
Credit interest yearly	
Tariff variants Komfort and Premium	0.10 %
Tariff variant Kompakt	0.20 %
Tariff variant Trend	at least 0.20 %
dependent on the overall yearly rate in accordance with § 3 paragraph 1, but max. 4% of total interest	
Borrowing rates (fixed borrowing rate) annually	
Tariff variant Kompakt	1.75 %
Tariff variant Komfort	1.00 % / 2.50 %
Tariff variant Premium	1.50 % / 2.25 %
as from a capital subscribed of 100,000 euros	1.25 % / 2.00 %
Tariff variant Trend: average credit interest (at least 0.20 %; 4 % max.) + 2.49 percentage points (at least 2.69 % max. 6.49 %), in accordance with § 11 paragraph 1	
Loan fee	2 % of the building society loan
Effective annual interest rate as from allotment in accordance with the Regulation on price quotes	
Tariff variant Kompakt with a fixed interest rate of 1.75 %	2.58 % – 3.42 %
Tariff variant Komfort with a fixed interest rate of 1.00 %	2.25 % – 2.76 %
Tariff variant Komfort with a fixed interest rate of 2.50 %	3.02 % – 3.47 %
Tariff variant Premium with a fixed interest rate of 1.50 %	2.05 % – 3.54 %
Tariff variant Premium with a fixed interest rate of 2.25 %	2.72 % – 4.04 %
Tariff variant Premium with a fixed interest rate of 1.25 %	1.75 % – 2.81 %
Tariff variant Premium with a fixed interest rate of 2.00 %	2.43 % – 3.38 %
Tariff variant Trend	3.33 % – 7.88 %
Under certain conditions, fees/charges are levied in accordance with § 6 paragraph 2, § 8, § 15 paragraph 1 and § 17.	

In the case of tariff variants Komfort and Premium, the building society charges for the grant of an option in respect of a building society loan with the inherent characteristics of these variants, a variant price of 0.10 % of the capital subscribed. The variant price shall be payable upon conclusion of the building society contract.

Ingoing payments shall be applied first to the completion fee and, in the case of the Komfort and Premium tariff variants, subsequently to the variant price. If the completion fee and the variant price are not paid in full within 4 months of the beginning of the contract, the building society may terminate the building society contract.

(5) The completion fee and the variant price shall not be refunded or reduced – not even proportionally. This shall apply also in particular where the building society contract is terminated prior to allotment, the capital subscribed is reduced or the building society loan is not taken up in whole or in part after allotment. This is without prejudice to paragraph 6.

Where, however, in the case of the Kompakt variant, the saver renounces the building society loan completely after allotment and concludes a new building society contract within six months of the termination of the first building society contract, he may, upon the conclusion of the new building society contract, require that 20 % of the capital subscribed that was not taken up be charged against the completion fee of the new building society contract.

In addition, the discount accruing in the event of termination and anticipated payment can be charged by the building society, subject to a minimum of 50 euros and a maximum of 100 euros, against the completion fee of a new building society contract concluded within six months.

(6) A building society contract shall be a young person's building society contract if, at the end of the calendar year in which the contract was concluded, the saver had not yet reached the age of 25 and if, upon the conclusion of the contract, there does not exist any other young person's building society contract of the saver with the building society.

In the case of young persons' building society contracts, the completion fee will be credited to the savings account up to a maximum amount of 200 euros, provided that the contract has been allocated and that the duration of the contract amounts to a minimum of seven and a maximum of fifteen years. The amount will be credited at the end of the calendar month in which the two conditions are fulfilled for the first time.

Changes to the contract (§ 13) and an assignment of the contract (§ 14) before the right to have the completion fee re-credited arises have the following effects:

- After a reduction in the building society contract (§ 13 paragraph 4), only the fraction of the completion fee that is due on the reduced capital subscribed will be re-credited up to a maximum of 200 euros.
- After an increase in the building society contract (§ 13 paragraph 5), the completion fee, including the fee for the increase, will be re-credited up to a maximum of 200 euros.
- After splitting (§ 13 paragraph 2), only a partial contract will continue to be maintained as a young person's building society contract. It will be up to the saver to designate what this should be. He will only be re-credited with that part of the completion fee, up to a maximum of 200 euros, that is due on the part of the subscribed capital continuing to be managed as a young person's building society contract.

Also in the above-mentioned cases (reduction, increase, splitting), the amount will be re-credited only if the young person's building society contract has been allocated and the duration of the contract amounts to at least seven and no more than fifteen years. The beginning of the contract period shall be determined by the date of conclusion of the building society contract. Any newly determined commencement of the contract under § 13 shall not be taken into account.

After consolidation (§ 13 paragraph 3) and after a transfer (§ 14), the building society contract shall not be maintained as a young person's building society contract. There shall be no more entitlement for re-crediting the completion fee.

§ 2 Savings payments

(1) The monthly savings payment (regular savings sum) amounts, in the case of all tariff variants, to 5 % of the capital subscribed. The payment is to be made to the building society until the minimum savings balance has been attained (§ 4 paragraph 2 c). In the case of tariff variants Komfort, Premium and Trend, the investor may continue to make these savings payments until the savings balance amounts to 50 % of the capital subscribed. Payments exceeding the regular savings sum or made after the level of 50 % of the capital subscribed has been attained are special payments, whose acceptance will depend on the agreement of the building society, which can also subject their acceptance to conditions.

(2) Savings payments are precluded in particular if, together with the total savings balance, they exceed the capital subscribed.

§ 1 Conclusion of the contract/completion fee/variant price

(1) The building society shall confirm to the saver without delay its acceptance of the building society application and the commencement of the contract or the date of conclusion of the contract, as the case may be. The capital subscribed in the case of the tariff variants Trend and Kompakt should be at least 10,000 euros, in the case of tariff variant Komfort at least 30,000 euros and in the case of the tariff variant Premium at least 50,000 euros. In the case of tariff variant Kompakt, the maximum subscribed capital is 60,000 euros. The building society will set up a savings account for the building society contract.

(2) Upon the conclusion of the contract, the saver shall choose between tariff variants Kompakt, Komfort, Premium and Trend. The decision in favour of a given tariff variant shall be final.

If the capital subscribed in the case of the Premium variant is at least 100,000 euros, the borrowing rate shall be reduced, depending on the choice, from a nominal 2.25 % to 2.00 % or from 1.50 % to 1.25 %.

(3) In the case of tariff variants Komfort and Premium, a choice may be made upon the conclusion of the contract between two borrowing rates. If the saver does not make a choice, the contract will be based on the higher borrowing rate. In addition, in the case of the Premium tariff variant, the possibility exists upon the conclusion of the contract to opt for a monthly repayment of between 4 % and 12 % of the capital subscribed instead of the standard repayment. The choice of another monthly repayment or borrowing rate may significantly reduce or increase the waiting period until allotment. Any subsequent change in the borrowing rate in the case of tariff variants Komfort and Premium and in the monthly repayment in the case of the Premium variant shall – except for a change to the higher borrowing rate – be possible only with the approval of the building society.

(4) Upon the conclusion of the building society contract, a completion fee of 1 % of the capital subscribed shall be due in the case of all tariff variants. In the case of national corporations or institutions governed by public law and legal persons governed by private law in which local authorities have a majority holding, the completion fee shall be reduced to 0.50 % of the capital subscribed, provided that it amounts to at least 100,000 euros.

§ 3 Interest on the savings balance

(1) Interest paid on the savings balance will be paid annually while taking into account all cash in-payments on a precise daily basis. The savings balance shall cease to bear interest upon the first disbursement.

In the case of the tariff variants Komfort and Premium, interest is paid on the savings balance annually at a rate of 0.10 % and, in the case of the tariff variant Kompakt, annually at a rate of 0.20 %.

In the case of tariff variant Trend, the savings balance will bear interest of at least 0.20 % (minimum interest) annually. Moreover, the saver will receive special interest, which, however, will not be paid if the saver terminates the building society contract during the first 7 years of the contract. The special interest will not be paid as from the beginning of the contract also if the building society grants a loan for the pre-financing or bridging financing of performances relating to the building society contract.

The interest rate for the special interest shall be based on the overall yearly rate and shall be re-determined annually for the duration of one calendar year. The criterion for the determination for a year shall be the overall yearly rate as at 30 November of the previous calendar year or the next following banking day as the case may be. By "Overall yearly rate" is meant the yield which is published by the Deutsche Bundesbank as the "Tägliche Umlaufrendite festverzinslicher Wertpapiere inländischer Emittenten nach Wertpapierarten/börsennotierte Bundeswertpapiere/zusammen" [daily flat yield on fixed-income securities of domestic issuers by types of securities/listed Federal German securities/together].

The rate of the special interest corresponds to the overall yearly rate less 0.7 percentage points, but may not exceed 3.80 %. The special interest will be placed in a separate account. The balance on the separate account will bear interest in the same way as the savings balance.

(2) The interest is payable at the end of each calendar year and, when the disbursement of the savings balance begins, at that moment. The interest will be credited to the savings account and special interest in the case of tariff variant Trend to a special account at the above-mentioned due dates. When the disbursement from the savings balance begins, the balance on the separate account will be transferred to the savings account. Interest will not be paid out separately.

§ 4 Allotment of the building society contract

(1) The allotment of the building society contract is a precondition for the disbursement of the capital subscribed. The allotment is notified to the saver along with a request to state within 4 weeks of the allotment date whether he accepts the rights under the allotment (acceptance of the allotment).

(2) The building society carries out allotments on the first day of each month (the allotment date). For the purpose of determining the building society contracts to be allocated, the building society proceeds as follows:

a) The last day of each month is a valuation date. The corresponding allotment date is always the first of the month following the valuation date, three months later.

b) On each valuation date, a valuation index is determined.

Komfort and Premium tariff variants

In order to calculate the valuation index of the individual building society contract, first the sum of all the credit balances SHS (the amount of the savings balance, which may not exceed the capital subscribed) at the different valuation dates to which the building society contract has been subject and the difference D between the capital subscribed BS and the savings balance G at the valuation date is determined. If the savings balance exceeds 50 % of the capital subscribed, the difference D will be set at 50 % of the capital subscribed.

The valuation index (BZ) may be worked out using the following formula:

$$BZ = \frac{200 \times TB}{D / 750 + ZF \times D \times D / (SHS + 3 \times G)}$$

where the interest rate factor ZF is
0.636 for the tariff variant Komfort with a borrowing rate of 1.00 %
0.235 for the tariff variant Komfort with a borrowing rate of 2.50 %
0.454 for the tariff variant Premium with a borrowing rate of 1.50 % or 1.25 %
0.244 for the tariff variant Premium with a borrowing rate of 2.25 % or 2.00 %.

Here G is the balance on the relevant valuation date, but at the most the capital subscribed. TB is the amount of the monthly repayment in euros (§ 11 paragraph 2).

The result is rounded to the nearest whole number in accordance with business practice.

Tariff variants Kompakt and Trend

In order to calculate the valuation index of the individual building society contract, the sum of all the credit balances (the amount of the savings balance, which may not exceed the capital subscribed) at the different valuation dates to which the building society contract has been subject will be multiplied by the relevant valuation index and divided by the capital subscribed. For the purposes of the calculation of credit balances and the achievement of the minimum savings (§ 4 paragraph 2), the minimum interest rate of 0.20 % is used as the basis in the case of the tariff variant Trend.

The valuation index for the tariff variants Kompakt and Trend may be worked out using the following formula:

$$BZ = \frac{SHS \times BZF}{BS}$$

where the valuation coefficient BZF is
7.5 for the tariff variant Kompakt and
7.0 for the tariff variant Trend.

And BS is the capital subscribed.

The result is rounded to the nearest whole number in accordance with business practice.

c) In the case of allotments on a specified allotment date, only building society contracts may be taken into account where at the relevant valuation date

- 12 months (minimum savings period) has elapsed since the beginning of the contract,
- the valuation index amounts to at least 200 (minimum valuation index) and
- the savings balance of the contract has attained a minimum level of savings of
 - 30 % of the capital subscribed in the case of tariff variant Premium with a borrowing rate of 2.25 % or 2.00 %,
 - 40 % of the capital subscribed in the case of the tariff variants Komfort and Premium with a borrowing rate of 1.50 % or 1.25 % and Trend and
 - 50 % of the capital subscribed in the case of the tariff variant Kompakt.

d) On the basis of funds available for allotment, the building society calculates for each allotment date a target valuation index. This is the lowest valuation index sufficient for the allotment.

e) After choosing a new monthly repayment or a new borrowing rate under § 1 paragraph 3, the building society contract may be allocated at the earliest on the first of the month which is assigned to the valuation date following the receipt of the saver's declaration.

§ 5 Non-acceptance of the allotment; continuation of the contract

(1) The saver may revoke acceptance of the allotment as long as the disbursement of the capital subscribed has not begun.

(2) If the saver does not accept the allotment in time in accordance with § 4 or if the acceptance is withdrawn, the building society contract continues.

(3) If the saver continues with his contract, he may at any time re-assert his rights under the allotment pursuant to § 4, subject to paragraph 4. In this case, the building society contract is to be considered by way of priority at the latest at the allotment date assigned to the next valuation date following the receipt of the saver's declaration (see § 4 paragraph 2 a).

(4) In the case of a building society contract which has been allocated for at least 36 months (§ 4 paragraph 2) without the saver's having accepted the allotment or asked to assert his rights after the continuation of the contract, the following provisions shall apply:

The building society may refuse to disburse the building society loan (§ 6 paragraph 1). If it exercises this right, the saver only has a claim to his savings balance. The building society shall notify the saver giving at least six months' notice that it intends to refuse to grant the building society loan after the expiry of this period. In this context, it may propose to convert the building society contract into another tariff.

§ 6 Provision of the savings balance and of the building society loan

(1) Upon accepting the allotment, the building society shall make available to the saver his savings balance and, subject to § 5 paragraph 4, the building society loan. Thereafter, the saver can dispose over the savings balance at any time and over the building society loan after satisfying the conditions set out in § 7.

The amount of the building society loan will be calculated on the basis of the difference between the capital subscribed and the savings balance upon allotment.

(2) On the first day of the second month following allotment, the building society may impose interest of 2 % per annum on the building society loan made available.

§ 7 Preconditions for granting the loan/security

(1) The building society is entitled to the provision of sufficient security for its claims arising out of the building society loan. As a rule, the loan will be secured by a land charge on a domestic property intended primarily for accommodation. Security by a charge against a property located in another Member State of the European Union or in a Contracting State of the Agreement on the European Economic Area is also possible with the consent of the building society.

(2) The building society loan, together with senior or equal-ranking charges, shall in no case exceed 80 % of the collateral value determined by the building society.

(3) The total funding must be secured. Proof of buildings insurance against the risks of fire, storm, hail and mains water damage and possibly against other natural damage for the indexed replacement value may be required.

(4) Notwithstanding the above-mentioned security, the grant of the loan is conditional on creditworthiness and proof that the monthly repayments (§ 11 paragraph 2) may be made without endangering other commitments.

(5) For its claims in personam and in rem, the building society may require them to be made subject to immediate enforcement.

(6) If land charges of third parties have priority over or are equal in rank to that of the building society, it may require that

- the landowner assigns to it its claims against senior or equal ranking mortgagees to the return of the mortgage (right to cancellation or surrender of the land charge, waiver of the land charge and allocation of any surplus in the forced auction) and that
- senior creditors or creditors of the same rank declare that they wish to use their land charges only as security for loans already disbursed (so-called non-recurring loan undertaking).

(7) If the saver is married or in a registered partnership, the building society may require the spouse/registered partner of the saver to become a joint debtor. This will not apply where joint liability of the spouse/registered partner is not justified having regard to all the circumstances of the case.

(8) Other lending conditions are set out in the "Lending Conditions" agreed when the building society contract is concluded.

§ 8 Life insurance

There is no automatic insurance coverage under a building society group life insurance scheme.

§ 9 Disbursement of the building society loan

(1) The saver may request the disbursement of the building society loan after satisfying the conditions set out in § 7 depending on the progress made with the construction work.

(2) In case the saver has not drawn down the loan in full within two years following acceptance of the allotment, the building society may set the saver a final deadline of two months for drawing down the loan. If, after the expiry of this deadline, the loan has not been drawn down in full, the building society shall no longer be required to disburse it, unless the delay is not attributable to the saver. The building society will notify this legal consequence to the saver when it lays down the deadline.

§ 10 Loan fee

At the beginning of the disbursement of the loan, a loan fee of up to 2 % of the building society loan will become due. The loan fee will be added to the building society loan and hence increase the amount owed on the loan.

§ 11 Interest payable and repayment of the building society loan*)

*) See also "Special Terms and Conditions and explanations of the GTCBC for building society contracts in Luxembourg"

(1) The fixed interest rate of the loan (borrowing rate) for building society loans per annum (effective annual interest as from allotment in accordance with the Regulation on price quotes, see the table in the annex) will be:

Tariff variant	Loan interest rate
Kompakt	1.75 %
Komfort	depending on the choice made: 1.00 % oder 2.50 %
Premium	depending on the choice made: 1.50 % oder 2.25 %
As from a capital subscribed of 100,000 euros	depending on the choice made: 1.25 % oder 2.00 %
Trend	Average interest on credit balances + 2.49 percentage points (at least 2.69 %, max. 6.49 %.); see explanations below

Trend tariff variant

Under the tariff variant Trend, the interest rate for the building society loan is determined by the average credit interest rate for the whole of the savings phase which is calculated by weighting the overall interest of the calendar year by the average credit balance of the calendar year. The calculation is made on the valuation date appertaining to the allotment (§ 4 paragraph 2). The average credit rate so determined shall be increased by 2.49 percentage points in order to determine the interest rate of the loan.

If the saver does not accept the allotment but asserts his rights under the allotment only at a later date, the following provisions shall apply:

If the saver accepts the allotment by the expiry of the calendar year following the initial allotment, the interest rate of the loan determined during the initial allotment will be applied to his building society loan.

If the saver accepts the allotment after the expiry of this period, the interest rate applicable to the building society loan will be calculated on the basis of the average credit interest rate as at 30 November of the previous year.

If the building society grants a loan for the pre-financing or bridging financing of services relating to the building society contract (§ 3 paragraph 1), the interest rate of the loan shall be 2.69 %.

Until the expiry of the calendar quarter in which the disbursement of the building society loan has ended, the interest will be calculated based on the amount outstanding on the debt at that time and from then on quarterly on the basis of the amount outstanding on the loan at the beginning of the calendar quarter. Monthly repayments will affect the calculation of interest from the beginning of the calendar quarter following their receipt. Interest accruing during a calendar quarter will be set off against the monthly repayments received (paragraph 2) or other credit entries at the end of that calendar quarter. The increase in interest rates resulting from the above provisions is included in the effective annual interest rate. If the incoming payments in a calendar quarter are insufficient to cover the interest, future repayments or other credit entries will be applied first to the payment of the interest.

(2) The saver has to pay monthly on the first business day of each calendar month a monthly repayment to cover the interest and the repayment of debt outstanding on the loan. Owing to the progressive repayment of the amount of the outstanding debt on the loan, the interest component included in the repayment instalments will decrease to the benefit of the loan repayment. Where appropriate, a surcharge to cover life insurance (§ 8) is to be paid together with the repayment instalments.

The monthly repayments will be calculated in per thousandths of the capital subscribed and amount as follows:

Tariff variant	Monthly repayment
Kompakt	5 ‰
Komfort with a borrowing interest rate of 1.00 %	10 ‰
Komfort with a borrowing interest rate of 2.50 %	4 ‰
Premium with a borrowing interest rate of 1.50 % or 1.25 % as a general rule	10 ‰
Premium with a borrowing interest rate of 2.25 % or 2.00 % as a general rule	6 ‰
Trend	5 ‰

In the case of the tariff variant Premium, the monthly repayment can also be set at a different value between 4 ‰ and 12 ‰ of the capital subscribed where the saver has exercised his right of election (§ 1 paragraph 3).

(3) The fees/charges, expenses and any insurance premiums for life insurance in accordance with § 8 will be added to the debt on the loan and subject to interest and repayment in the same way.

(4) The first monthly repayment must be paid in the second month following the full disbursement of the building loan and in case of partial disbursement at the latest in the twelfth month following the first partial disbursement. The building society shall inform the saver of the due date of the first monthly repayment.

(5) The saver shall be entitled at any time to make special repayments. They also affect the calculation of interest as from the beginning of the calendar quarter following their receipt. If the saver pays a tenth or more of the initial loan in a single instalment as a special payment, he may require the monthly repayment to be reduced in proportion to the new loan balance as compared with the old balance.

§ 12 Termination of the building society loan by the building society

The Building Society may in particular terminate the loan and demand immediate repayment if

a) the saver is in default, in whole or in part, by at least two successive monthly payments and at least 2.5 % of the nominal amount of the loan and the building society has put the saver on one month's notice, without success, to pay the amount in default, stating that if payment is not made within the prescribed period, repayment of the total outstanding debt balance will be demanded;

b) the value of the security has decreased to the point that there is no longer sufficient security for the building society loan and, notwithstanding a demand being made, further security has not been furnished within an appropriate time;

c) a significant deterioration in the financial situation of the saver, a co-debtor or a surety occurs or is imminent so that the repayment of the building society loan is jeopardised;

d) essential information for the grant of the loan has become incorrect or incomplete.

§ 13 Splitting, consolidation, reduction and increase of building society contracts

(1) In the case of the tariff variants Komfort and Premium, all contract changes (splitting, consolidations, reductions and increases) are possible. In the case of the tariff variant Kompakt, only splitting is possible, whereas in the case of tariff variant Trend, no change in the contract is possible. All changes in the contract are subject to the approval of the building society, which may also impose conditions, except in the case of splitting under the tariff variant Komfort, which, provided it complies with a minimum capital subscribed of 10,000 euros, is always possible.

In case of contract amendments under the tariff variant Premium, the amount of the capital subscribed as it stands after the modification of the contract is determinative of the borrowing rate (§ 11 paragraph 1).

(2) In case of splitting, the capital subscribed and building society balance will be allocated to newly formed contracts at the election of the saver. The sum of the credit balances (§ 4 para. 2 b) will be distributed in proportion to the credit balances on the newly formed contracts. The valuation index (§ 4 para. 2 b) will be recalculated. If this results in a reduction of the valuation index for a part contract, the beginning of that contract will be re-determined. To this end, the duration of the contract will be reduced in proportion to the ratio between the new valuation index and the former valuation index. Split contracts may be allocated no earlier than the first day of the month assigned to the next valuation date (see § 4, paragraph 2 a) following the split, but not before the conditions set out in § 4, paragraph 2 c have been satisfied.

(3) In case of consolidation, the capital subscribed, the savings balance and the total credit balances (§ 4, paragraph 2 b) of several contracts will be brought together into one contract. The condition for this is that the contracts in question must have been concluded under the same tariff variant and the same borrowing rate must have been chosen. In case of consolidation, the new monthly repayment fixed will be subject to the approval of the building society.

The beginning of the consolidated contract will be re-determined so that the duration of the consolidated contract constitutes the average, weighted by the subscribed capital amounts, of the durations of the individual contracts. The date of conclusion of the consolidated contract shall be taken as the date of conclusion of the oldest individual contract. The newly formed contract may be allocated no earlier than the first day of the month assigned to the next valuation date (see § 4 paragraph 2 a) following the consolidation, but in any case not before the conditions set out in § 4 paragraph 2 c have been satisfied.

(4) In the case of a reduction, the sum of the credit balances (§ 4, paragraph 2 b) remains unchanged. This will result in an increase in the valuation index. A reduced contract may be allocated no earlier than the first day of the month assigned to the next valuation date (see § 4 paragraph 2 a) following the reduction, but in any case not before the conditions set out in § 4, paragraph 2 c have been satisfied.

(5) In the event of an increase, in the case of all tariff variants a completion fee, together in the case of tariff variants Komfort and Premium with a variant price, will be calculated and charged to the savings account in accordance with § 1 paragraph 4. The basis of assessment for the charges is the amount by which the capital subscribed is increased.

The sum of the credit balances (§ 4, paragraph 2 b) remains unchanged. As a result, the valuation index diminishes. The beginning of the contract will be re-determined, so that the former contract duration is reduced in proportion to the ratio between the old and the new subscribed capital. However, the date of conclusion of the contract remains unchanged. An increased contract may be allocated no earlier than the first day of the month assigned to the next valuation date (see § 4 paragraph 2 a) following the increase, but in any case not before the conditions set out in § 4 paragraph 2 c have been satisfied.

(6) Notwithstanding the provisions of paragraphs 2, 3 and 4, contracts arising out of splits, consolidations or reductions may be allocated before the first day of the month assigned to the next valuation date (see § 4 paragraph 2 a) following the modification of the contract, insofar as the building society does not allocate those contracts earlier than they would have been if they had not been modified.

§ 14 Transfer of the contract, assignment and pledges

The saver may assign or pledge his right of termination and his claim to the repayment of the building society balance. The assignment, pledging and transfer of other rights are subject to the approval of the building society. As a general rule, the building society will agree to the transfer of all rights and obligations under the contract (transfer of the contract) if the transferee is a relative (§ 15 of the Tax Code) of the saver.

§ 15 Termination of the building society contract

(1) The saver may terminate the building society contract at any time. He may require the repayment of his savings balance no earlier than six months following the receipt of the termination. At the wish of the saver, the building society will pay out the balance before term while retaining a discount of 2 % of the savings balance. In accordance with § 1 subparagraph 5, the discount may be applied to a subsequent contract.

So long as the repayment of the savings balance has not begun following termination by the saver, the building society will continue the building society contract unchanged at the request of the saver. If 25 % of the funds available for allotment are not sufficient for the repayment of savings balances of terminated contracts, the repayments may be deferred to subsequent allotment dates.

(2) The building society may terminate the building society contract in the following cases:

a) if the saver has not paid six regular savings amounts (§ 2 paragraph 1), taking into account any special payments, and fails to comply with the building society's written demand to make up the payments within three months of receipt, the building society may terminate the building society contract at three months' notice;

b) if the savings balance reaches the amount of the capital subscribed, the building society may terminate the building society contract at three months' notice;

c) if the allotment conditions are not satisfied within at least fifteen years of the conclusion of the building society contract (conclusion date) and no declaration of acceptance is made, the building society will be entitled to terminate the building society contract at one month's notice. The building society must notify the saver of its intention to terminate at least six months before the pronouncement of the termination. In this context, the building society may make a proposal to the saver to convert the building society contract into another tariff.

§ 16 Account-keeping

(1) The savers form a dedicated savings community. Their funds accumulated during the savings and loan phase (§ 17 paragraph 1) (assets for allotment) are used for the allotment of building society contracts and the disbursement of the capital subscribed. The savings account opened during the conclusion of the building society contract is used for the technical administration of the assets for allotment.

(2) The savings account is run as a current account, i.e. all in-payments of funds for the saver will be credited to the savings account and all out-payments relating to the saver, interest, fees/charges, expenses and other amounts chargeable to him will be charged to building society savings account.

(3) The building society closes the accounts at the end of each calendar year. It will send the saver in the first 2 months of the end of the calendar year an account statement expressly stating that it will be deemed to be approved if the saver does not raise an objection in writing within 2 months of receiving it.

§ 17 Account fees, charges and expenses

(1) For each building society contract, the building society charges in the savings phase and in the loan phase, at the beginning of the year, an account fee of 15 euros. The savings phase begins with the conclusion of the building society contract and ends when it is wound up or when the first (partial) disbursement of the building society loan is made. The loan phase begins with the first (partial) disbursement of the building society loan and ends upon its repayment in full.

In the first year of the contract, at the beginning of the contract, the fee will be charged in full where the contract was concluded in the first half of the calendar year and to the extent of two-thirds where the contract was concluded in the second half of the calendar year. Where contract is concluded in the last 2 months of the year, the building society will waive the account fee for the year in question, provided that there have been no sums charged or credited to the building society savings account.

(2) The building society charges the saver for special services going beyond the normal course of the contract fees/charges in accordance with the fee schedule in force for the time being. The building society will make the fee schedule available to the saver upon request.

(3) If the building society provides at the request of the saver or in his presumed interest services which are not covered by the fee schedule and which are to be judged as being expected to be performed only for remuneration, it may charge the saver an appropriate charge therefor in accordance with the legal provisions.

(4) The building society's claims for reimbursement of expenses shall be determined on the basis of the statutory provisions.

(5) For any service which the building society is required to perform by law or under a collateral contractual obligation or which it performs solely in its own interest, the building society will not levy any charge, unless it is legally permissible and levied in accordance with the relevant legal provisions.

§ 18 Set-off, abstention

(1) The saver is empowered to effect a set-off only if his claim is undisputed or legally binding.

(2) The building society may set off any claims against the saver arising out of their business relationship against his savings balance or other claims, even if they are not yet due.

(3) The building society may abstain from performing services which it is under a duty to perform vis-à-vis the saver on account of claims of its own arising under the business relationship, even if they are not based on the same legal relationship.

§ 19 Right of disposal after the death of the saver*)

*) See in this connection also the " Special Terms and Conditions and explanations of the GTCBC for building society contracts in Luxembourg "

(1) After the death of the saver, it will be necessary to present to the building society for the purpose of clarifying the right of disposal a certificate of inheritance, an executor's certificate or other suitable documents to this end; at the request of the building society, documents written in a foreign language are to be accompanied by a certified German translation.

(2) The building society may consider any person who presents it with an engrossment or a certified copy of the last will and testament (will, contract of inheritance) together with the relevant record of the opening of the succession and who is designated therein as the heir or the executor, as the person entitled and allow him/her to dispose over the assets and pay over benefits to him/her, with the effect of full discharge. This shall not apply if the building society is aware that the person named therein does not have the right of disposal (e.g. owing to a challenge to or the invalidity of the will) or if this has not come to its notice through negligence.

§ 20 Guarantee of building society deposits

(1) Information relating to the deposit guarantee (guarantee status): Because of the affiliation of the building society to the "Entschädigungseinrichtung deutscher Banken GmbH (EdB-GmbH)" and the "Bausparkassen-Einlagensicherungsfonds eV", the building society deposits, including interest, are guaranteed to an unlimited amount. If the deposits are exceptionally excluded from coverage by law, the saver will be informed in a separate statement to be signed by him. As in the case of § 6 of the Einlagensicherungsgesetz (Law on the deposit guarantee), the Deposit Guarantee Fund excludes certain categories of customers from protection. This applies in particular to credit institutions, financial institutions, insurance companies and capital investment companies. Special provisions apply to building society deposits of the public sector. Deposits of medium and large joint stock companies within the meaning of § 267 paragraphs 2 and 3 of the German Commercial Code (HGB) are likewise not covered by the Deposit Guarantee Fund.

To the extent that the Deposit Guarantee Fund or a person delegated by it makes payments to a customer, the latter's claims against the building society are vested to the same extent and *pari passu* in the Deposit Guarantee Fund. This also applies where, in the absence of instructions from a customer, the Deposit Guarantee Fund makes the payments to an account opened in his name with another credit institution. The building society is empowered to make available to the Deposit Guarantee Fund or a person delegated by it all such information and documents as are necessary in this connection.

(2) If the building society ceases trading, the building society contracts may be liquidated under a simplified procedure with the approval of the "Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)". In the event of a simplified liquidation, savers cease to make savings payments under § 2. Allotments under § 4 and further loan disbursements under § 9 will no longer take place. The savings balances will be reimbursed depending on the available funds. In this context, all savers will be satisfied *pro rata* to their claims, without any priority with respect to others.

§ 21 Changes in terms and conditions

(1) Changes in the General Terms and Conditions for building society contracts will be communicated to the saver in writing or notified in the building society's in-house communications clearly drawing attention to them. Changes may also be communicated electronically, in so far as this was agreed in the context of the business relationship.

(2) With the approval of the "Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)", the provisions of §§ 2-7, 9, 11-15 and 20, paragraph 2 may be amended with effect for existing building society contracts without the prior consent of the saver.

(3) Other changes require the approval of the saver. Approval will be deemed to have been given if the saver does not object to the change in writing within two months of being informed thereof, provided that at the beginning of that period attention was drawn to the effect of failing to object.

**Special Terms and Conditions and explanations
for building society contracts in Luxembourg**

Re § 11 Remuneration and loan repayment

The real interest rate depends on the tariff variant and, where appropriate, on the terms and conditions selected.

In the case of

the tariff variant Kompakt	it is between 2.58 % and 3.42 %
the tariff variant Komfort	it is between 2.25 % and 3.47 %
the tariff variant Premium	it is between 1.75 % and 4.04 %
the tariff variant Trend	it is between 3.33 % and 7.88 %

(see the table in the annex).

Re § 19 Right of disposal after the death of the saver

The certificate of inheritance will be replaced in Luxembourg by a “Certificat de notoriété”.

Annex

Annex to § 11 of the General Terms and Conditions

Effective annual interest rates for building society contracts from allotment
in accordance with the Regulation on price quotes

Tariff variant	Fixed interest rate of the loan	Monthly repayment	Effective annual interest rate for a capital subscribed of			
			100,000 euros	50,000 euros	30,000 euros	10,000 euros
Kompakt	1.75 %	5 ‰	–	2.60	2.68	3.06
Komfort	1.00 %	10 ‰	2.30	2.35	2.42	–
	2.50 %	4 ‰	3.07	3.11	3.17	–
Premium	1.50 %	4 ‰	–	2.10	–	–
		6 ‰	–	2.37	–	–
		8 ‰	–	2.62	–	–
		10 ‰	–	2.88	–	–
		12 ‰	–	3.13	–	–
Premium	1.25 %	4 ‰	1.80	–	–	–
		6 ‰	2.06	–	–	–
		8 ‰	2.31	–	–	–
		10 ‰	2.56	–	–	–
		12 ‰	2.81	–	–	–
Premium	2.25 %	4 ‰	–	2.76	–	–
		6 ‰	–	3.00	–	–
		8 ‰	–	3.24	–	–
		10 ‰	–	3.46	–	–
		12 ‰	–	3.69	–	–
Premium	2.00 %	4 ‰	2.47	–	–	–
		6 ‰	2.71	–	–	–
		8 ‰	2.93	–	–	–
		10 ‰	3.16	–	–	–
		12 ‰	3.38	–	–	–
Trend	2.69 %	5 ‰	3.37	3.42	3.48	3.78
	4.59 %	5 ‰	5.33	5.37	5.43	5.71
	6.49 %	5 ‰	7.30	7.33	7.39	7.64