

EPEX enters German market for traded life insurance policies with target volume of EUR 150 Million in 2005

London, 17th January 2005. The London based European Policy Exchange Limited (EPEX) specialises in the acquisition and administration of German traded endowment policies (TEPs), providing a market place for institutional investors. Founded in 2003 by private investors, EPEX significantly strengthened its capital base in December 2004 through private equity participations of the German bank WestLB AG and a British Hedge Fund.

By bundling the investment volumes of several institutional investors, EPEX seeks to become a leading force in the German Market. Max Ahlers, Director of Investment: "The market potential in Germany is enormous. In 2004 EUR 12.4 billion were surrendered, only approximately EUR 300 million went to the secondary market. Our strong investor base gives us a unique chance to expand and become a leading player in this exciting market."

In 2005, EPEX plans to acquire a volume of EUR 150 million of German life insurance policies through its German subsidiary "Policen Direkt Versicherungsvermittlung GmbH" (Policen Direkt). Policyholders are offered price advantages of up to 15% above the surrender values paid by the life insurance companies. As the first market maker in Germany to provide full online tracking for the sale of a policy, Policen Direct seeks to introduce a new standard of service quality to the young market. Simon Nörtersheuser, Managing Director: "The average time required for selling a policy in Germany is approximately 3 months. By introducing process standards of the more developed UK-TEP-Market to Germany, we believe we can speed up the process by at least 50%."

West LB AG is with a balance sheet total of EUR 350 billion one of the leading German Commercial Banks. Its core competencies are Equity Solutions, Credit Products, Treasury & fixed Income, Financial Structuring and Asset Management.

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European Policy Exchange Ltd. - Fact Sheet 2005

- Company:** European Policy Exchange Limited is a London based trading company that specializes in the acquisition and administration of German traded endowment policies (TEPs). Founded in December 2003, EPEX offers institutional investors a direct access to the German TEP-Market through the German subsidiary "Policen Direkt Versicherungsvermittlung GmbH" (Frankfurt am Main).
- Mission:** Our mission is the creation of sustainable value for policyholders, investors and shareholders through the foundation of a liquid market for traded endowment policies.
- Equity Paid In:** 1.017.000,- Euro
- Shareholder:** Founders (51%)
WestLB AG (39%)
Other (10%)
- Executives:** Max Ahlers, Director of Investment
Simon Nörtersheuser, Director of Sales
- Board:** Sebastian Siebert, Policen Direkt Versicherungsvermittlung GmbH
Frank Simon, WestLB AG
Ingo Wichelhaus, WestLB AG
- Business Areas:** a) Acquisition and administration of German TEPs
b) Consulting and product development for institutional investors
c) Put-options on life insurance policies (EPEX Life Options)
d) Analysis and research in European TEP-Markets
- Subsidiaries:** Policen Direkt Versicherungsvermittlung GmbH, Frankfurt a. Main, Germany
- Market:** The surrender volume of the German life insurance market in 2004 was EUR 12.4 billion. The volume traded in the secondary market amounted to approx. EUR 300 million.

Fact Sheet (cont'd)

Management References:

- Development of the first open-ended investment funds based on German life insurance policies in cooperation with leading German private banks
- Development of first investment certificates based on German life insurance policies in cooperation with Swiss private bank.
- Co-foundation of Luxembourg based "Partner in Life S.A." and acquisition of policies of a volume of approx. EUR 100 million.
- Winner of the "European Business Plan of the Year Competition" by INSEAD, Paris and London Business School.
- Academic thesis „Potential of the German secondary market for life insurance policies" supervised by Prof. Dr. Paul Achleitner, CFO Allianz Group
- Graduate studies at the WHU Koblenz – Otto Beisheim Graduate School of Management – with majors in corporate finance and operations management

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