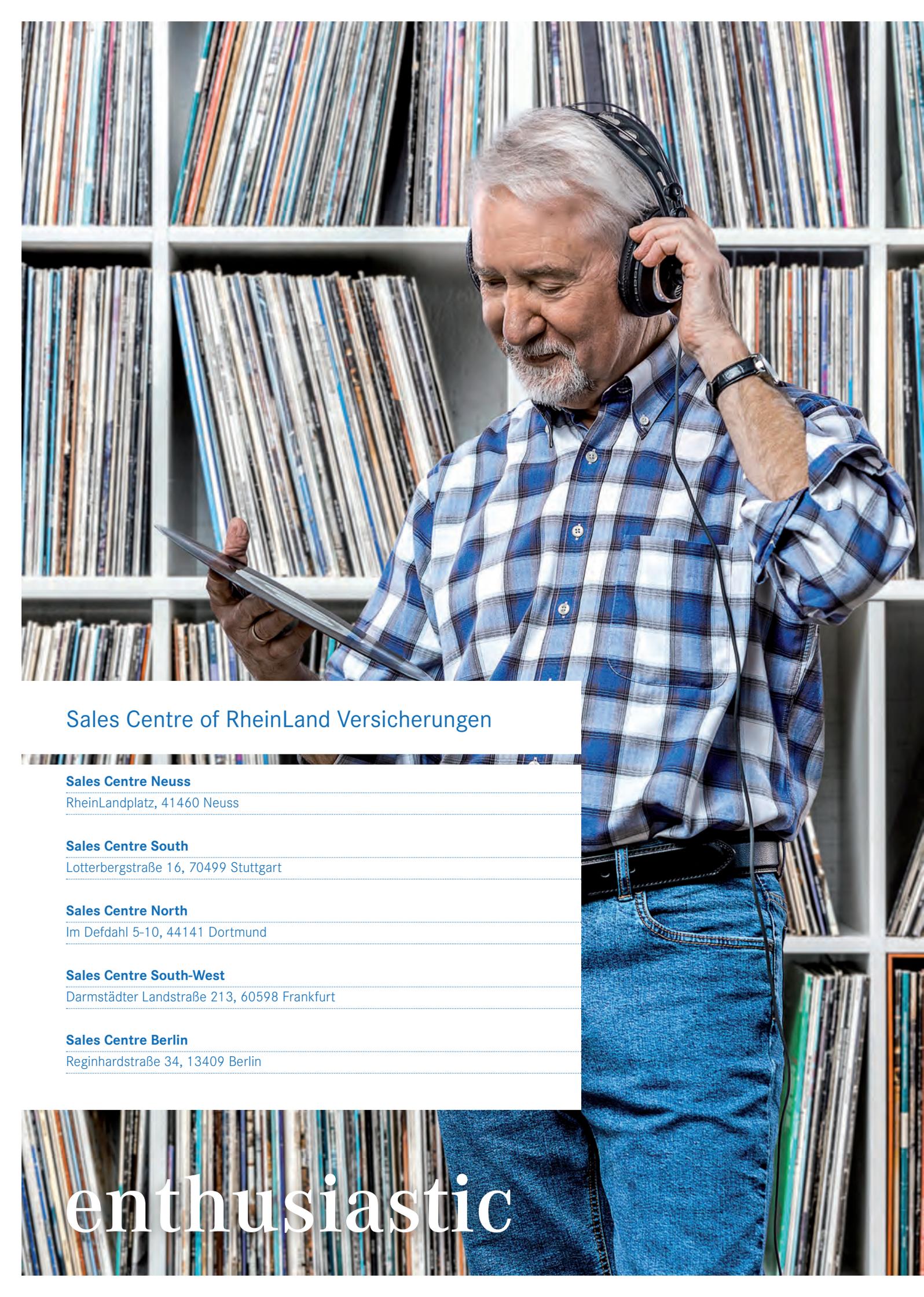




open-minded

RheinLand Versicherungs AG
2014 Annual Report



Sales Centre of RheinLand Versicherungen

Sales Centre Neuss

RheinLandplatz, 41460 Neuss

Sales Centre South

Lotterbergstraße 16, 70499 Stuttgart

Sales Centre North

Im Defdahl 5-10, 44141 Dortmund

Sales Centre South-West

Darmstädter Landstraße 213, 60598 Frankfurt

Sales Centre Berlin

Reginhardstraße 34, 13409 Berlin

enthusiastic

RheinLand Versicherungs AG
2014 Annual Report

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Supervisory Board and Executive Board

Supervisory Board

Anton Werhahn,
commercial agent, speaker of the Executive Board of Wilh. Werhahn KG, Neuss
Chairman (from 4 July 2014)
Deputy Chairman (until 3 July 2014)

Wilhelm Ferdinand Thywissen,
commercial agent, fully authorised representative of C. Thywissen GmbH, Neuss
Deputy Chairman (from 4 July 2014)

Dr. rer. pol. h.c. Klaus G. Adam,
auditor, Mainz
Chairman (until 3 July 2014)

Dr. Ludwig Baum,
commercial agent, Managing Director of Effektenverwaltung Cornel Werhahn GbR,
Munich

Ludwig Neumann,
office management assistant, Works Council of RheinLand Versicherungs AG, Kreuzau
elected by the employees (until 3 July 2014)

Andreas Daners,
insurance business management assistant, Works Council of RheinLand Versicherungs AG, Jüchen
elected by the employees (from 04 July 2014)

Jürgen Stark,
business data processing specialist, Works Council of RheinLand Versicherungs AG, Brühl
elected by the employees

Executive Board

Christoph Buchbender,
Neuss

Dr. Lothar Horbach,
Cologne (from 1 September 2014)

Udo Klanten,
Bergisch Gladbach

Andreas Schwarz,
Neuss

Jutta Stöcker,
Bornheim (until 14 January 2015)

Supervisory Board Report

In four meetings and based on written and verbal reports of the Executive Board, the Supervisory Board has obtained detailed information about the position and development of the company, the business performance and the fundamental questions regarding business policy. During these meetings, the strategic orientation of the company, the plans for any action for 2015 and all relevant business achievements and projects were discussed with the Executive Board. Any transactions subject to consent according to the law and the articles of association were discussed in detail with the Executive Board.

In-depth discussions were held with the Executive Board about essential strategic projects such as the updating of the product range, particularly with regard to the reorientation of a major customer. Furthermore, the reorganisation of the payment protection insurance business after the cross-border merger of the Dutch risk carrier RiMaXX International N.V. and our company was the subject of detailed discussions. The Executive Board informed the Supervisory Board that the planned objectives were achieved for the current financial year and also provided information about the medium-term planning. The discussions also focussed on safeguarding the risk bearing capacity and securing sufficient liquidity. In addition, the Supervisory Board received a report on the status of the preparations for the introduction of Solvency II.

The Supervisory Board has satisfied itself about the application of the existing risk management system and paid particular attention to this control and monitoring system. The Executive Board regularly informed the Supervisory Board on a quarterly basis in writing about the risk position of the company. The risk reporting was dealt with in two meetings of the Supervisory Board. The findings of internal audits were discussed. The Executive Board

provided a report to the Supervisory Board about compliance-relevant topics and informed it about the establishment and expansion of the compliance organisation and processes.

Outside of the Supervisory Board meetings, the chairman of the Supervisory Board also discussed issues regarding the orientation of the company's business, the strategic objectives and the organisation as well as individual matters in one-to-one meetings.

The members of the Executive Board do not receive any separate remuneration from our company, as this is regulated by our parent company, RheinLand Holding AG.

The Supervisory Board has performed a self-evaluation of its activities and has reviewed its efficiency.

The 2014 Financial Statements and the Management Report were audited by the appointed auditor, KPMG AG, auditing firm, Cologne according to the statutory provisions and provided with an unqualified auditor's report. The auditor was present during the consultations concerning the Financial Statements. They gave an account of the performance of the audit and were available to provide additional information.

The Supervisory Board examined the Financial Statements and the Management Report. Following the completion of its examination, the Supervisory Board had no objections and consented to the Financial Statements and the Management Report for the financial year 2014 of RheinLand Versicherungs AG. The 2014 Financial Statements as presented here are thus approved.

In its meeting dated 7 March 2014, the Supervisory Board appointed Dr. Lothar Horbach on the

Executive Board with effect from 1 September 2014. Dr. Horbach succeeded Ms Jutta Stöcker who left the Executive Board at her own request after having worked for the RheinLand Group for ten years in early January 2015. He is now responsible for Accounting, Risk Management, HR, Legal and Compliance as well as Settlement of Claims. The Supervisory Board would like to thank Ms Stöcker for her many years of committed and successful service to the company.

Upon completion of the annual general meeting on 3 July 2014, the Supervisory Board's term of office ended. Mr Ludwig Neumann, who has been a member of the Supervisory Board since 2009, left the Supervisory Board at 3 July 2014. The Supervisory Board would like to thank Mr Neumann for his dedicated cooperation and support for our company also on behalf of the Executive Board. Mr Andreas Daners was elected on the Supervisory Board by the employees. In the inaugural meeting of the Supervisory

Board on 3 July 2014, the Supervisory Board elected Mr Anton Werhahn as the new chairman of the Supervisory Board and Mr Wilhelm F. Thywissen as the new deputy chairman.

The Supervisory Board would like to thank the Executive Board and all employees of the company for their dedication and level of commitment in the reporting year.

Neuss, 11 May 2015

The Supervisory Board

Anton Werhahn
Chairman

Management Report

Economic Report

Business Performance

Supported by unusually mild weather, the German economy started the year 2014 with a clear sense of momentum. However, despite the favourable financing conditions, the increasing capacity utilisation as well as the good sentiment of the companies, the expected increase in investments did not occur. Above all else, the pronounced weak phase in the euro area, including the continuing state of economic recession in certain Member States, served to lower expectations. Economic growth only picked up again towards the end of the year and prevented the real gross domestic product from being disappointing in terms of initial expectations, recording a 1.5% plus.

The insurance industry generated premium income to the amount of € 192.3 billion in the 2014 reporting year (2013: € 187.2 billion). Growth thus weakened to 2.7%, after 3.1% in the previous year. This was essentially caused by what only amount to a small increase of the premium income in health insurance. However, life insurance with a plus of 3.1% (2013: 4.0%) increasing to € 93.7 billion (2013: € 90.8 billion) as well as property and accident insurance with a 3.2% increase (2013: 3.4%) to € 62.5 billion (2013: € 60.6 billion) remained below the previous year's growth.

In the reporting year, RheinLand Versicherungs AG generated premium income in the total amount of € 314.0 million (previous year after adjustment: € 289.7 million). € 218.6 million thereof were represented by the direct insurance business (previous year after adjustment: € 211.4 million). The assumed reinsurance business generated premium income to the amount of € 95.4 million in the reporting year (previous year following adjustment: € 78.2 million). In 2014, to simplify the group structure, RiMaXX International N.V. was merged with RheinLand Versicherungs AG and Credit Life International N.V. was merged with Credit Life AG. To prepare these mergers, the shares of the Dutch insurance subsidiaries of RheinLand Groep Nederland B.V. were already transferred to the direct investments portfolio of RheinLand Holding AG as at 31 December 2013. RheinLand Groep Nederland B.V. remains 100% owned by RheinLand Versicherungs AG.

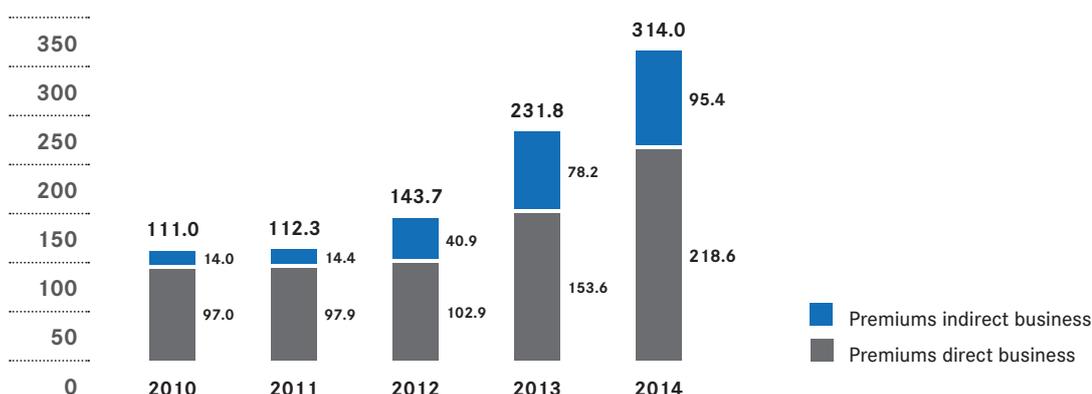
The claims expenditures on the market decreased by a total of 7.6% to € 45.9 billion

compared to the year 2013 that was characterised by weather extremes. After RheinLand Versicherungs AG was mostly spared from the weather-related record losses in the previous year, it was affected by extraordinary loss events in several

aspects in 2014. On the one hand, the company was burdened by several major losses in the accident insurance and the householder's insurance. On the other hand, the storm "Ela" around Whitsun 2014 caused natural hazard losses to the amount of approx. € 4.7 million. This particularly affected the homeowner's insurance, so that the gross loss ratio for the reporting year deteriorated to 79.9%. Nevertheless, this loss ratio is below the market trend due to our efforts to adjust the premiums accordingly in the case of loss-making policies and to increase the premiums accordingly in the new business and furthermore to stagger them by age.

As in the market, the loss development in the area of motor insurance was more favourable than in the previous year in spite of the natural hazard losses. Our motor insurance tariff with workshop service again resulted in a reduction of the costs of settlement. Apart from this, it continues to receive great feedback and has proven to be the door-opener for our business. As regards the family-friendly tariff "Startklar – die Kfz-Versicherung für junge Fahranfänger", it is positive that the resulting losses are within our expectations. This innovative tariff also increasingly paves the way for our sales staff to address the customers. Overall, the loss ratio for the reporting year was reduced from 88.4% to 82.5%. The costs for the insurance operations amounted to € 124.2 million in the

Development of the premiums entered in € million



Composition of the premiums entered

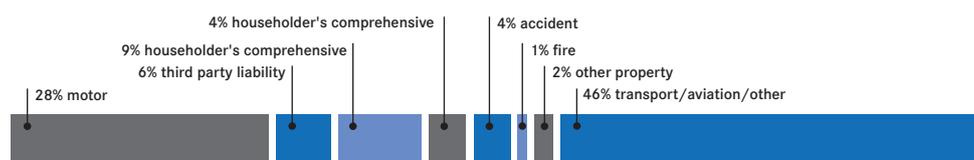
	2014	2013	Change
	€ million	€ million	in %
Direct insurance operations	218.6	153.6	42.3
Assumed Reinsurance Business	95.4	78.2	22.0
Gross premium income	314.0	231.8	35.5
Reinsurance business	84.9	43.8	93.9
Premium income for own account	229.1	188.0	21.9

financial year (previous year: € 123.5 million). These costs, which remained at an almost constant level, are offset by an increased business volume.

The technical net result of the direct operations declined to € 9.4 million prior to the allocation to the equalisation fund (previous year: € 12.7 million). The assumed reinsurance business showed a technical net loss to the amount of € 5.2 million (previous year: € -5.2 million).

Overall, the net technical result amounted to € 4.2 million (previous year: € 7.5 million). After the allocation to the equalisation fund to the amount of € 0.2 million (previous year: € -1.5 million), a technical profit to the amount of € 4.4 million was generated for the entire business (previous year: € 5.3 million).

Shares of the insurance segments in the gross premium income in the direct insurance business as at 31 December 2014



The result of the non-technical business was € 4.2 million in the financial year (previous year: € 36.2 million). The reason for this decrease is the restructuring for the preparation of the mergers in 2014 at the end of the previous year. Due to the acquisition of RiMaXX International N.V. and Credit Life International N.V. into the direct portfolio of RheinLand Holding AG as at 31 December 2013, the profit distribution in the financial year was not made to RheinLand Versicherungs AG, but to RheinLand Holding AG.

Overall, the company concluded the year with a result from ordinary business operations to the amount of € 3.4 million (previous year: € 35.6 million). Due to the profit and loss transfer agreement with RheinLand Holding AG, the profit after taxes to the amount of € 3.4 million was paid to RheinLand Holding AG.

Financial markets – European Central Bank still extremely expansive

At the beginning of the reporting year, the development on the international financial markets was characterised by the continuation of the coordinated and extremely expansive monetary policy. In June 2014, the interest rate for bank deposits in the Eurosystem was charged for the first time with penalty interest of minus 0.10%, and the main refinancing rate was decreased to a record low of 0.15%, before then falling further in September 2014 to 0.05%.

The yields on the bond markets of the euro area responded to the ECB's intensified expansion strategy. The current yield of ten-year federal bonds fell below the

1% threshold, and the weighted returns on the ten-year bonds of the other euro-zone member states, i.e. excluding Germany, continued to fall quickly.

In Germany, this trend of continuously declining interest flattened the yield curve. Here, above all else, the increased expectations have been precipitated by low long term interest rates. Towards the end of the year, banks charged penalty interest on deposits for the first time, although only for high amounts.

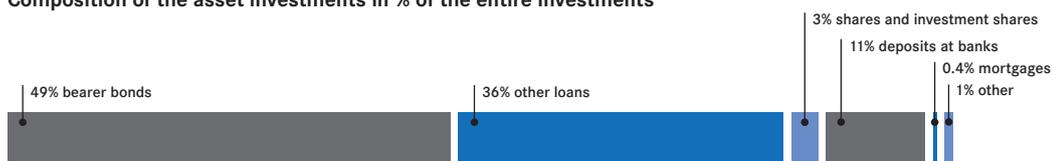
Investments

The investments (including deposits retained) increased to € 411.7 million in the financial year (previous year: € 385.7 million).

The investment income amounted to a total of € 10.1 million in 2014 (previous year: € 39.6 million). This included € 0.1 million (previous year: € 28.1 million) income from participating interests. The income from other investments amounted to € 8.8 million in the financial year (previous year: € 10.3 million). Write-ups to the amount of € 0.1 million (previous year: € 0.0 million) were made. The income on disposals to the amount of € 1.0 million (previous year: € 1.2 million) was mainly allocated to bearer bonds (€ 0.8 million) and investment shares (€ 0.2 million).

The investment income of RheinLand Versicherungs AG was offset by costs to the amount of € 0.7 million (previous year: € 0.5 million). Overall, the investment result amounted to € 9.4 million (previous year: € 39.0 million).

Composition of the asset investments in % of the entire investments



The development of the assets, including information concerning the hidden reserves and the hidden charges, is shown in the annex to the notes on page 38 et seq.

The book value of the ABS Fund I amounts to € 9.9 million and corresponds to the fair value. At present, the company does not assume permanent depreciation in value.

The non-technical income statement concluded the financial year with a profit of € 4.2 million (previous year: € 36.2 million). The main reason for the reduction was the previously described lower investment income in the reporting year.

Overall Result

The result from ordinary business operations of RheinLand Versicherungs AG amounted to € 8.5 million (previous year: € 35.6 million). The result in the previous year included the investment income of the Dutch companies, which was taken over into the direct portfolio of RheinLand Holding AG for the preparation of the merger as at 31 December 2013. Due to the merger, the capital was increased in the financial year, which resulted in an allocation to the legal reserve to the amount of € 0.5 million. See page 46 in the notes for further details. After tax expenses to the amount of € 4.6 million and a transfer of profit to the amount of € 3.4 million due to the profit and loss transfer agreement concluded with RheinLand Holding AG, the company concluded the financial year with a balanced result.

We would like to thank the office and field staff as well as the full-time and part-time intermediaries for their commitment and good cooperation.

Remarks on the individual segments

Direct insurance operations

Accident

With decreasing premium income and increasing claims expenditures, the accident segment was able to conclude the financial year with a technical profit due to reversal of the equalisation fund.

In the motor accident segment, despite slightly declining premium income and the unfavourable settlement of previous year's loss provisions, it was possible for the positive technical result of the previous year to be repeated due to reduction of the operating costs.

General third party liability

The premium income in the third party liability insurance segment remained practically constant. With declining claims expenditures, the technical result could be improved again compared to the previous year. Therefore, the segment concluded the financial year again with a technical profit.

Motor

The premium income in the motor business increased in comparison with the previous year. It proved possible for the claims expenditures to be reduced in comparison with the previous year. The reason is the improved results arising from the settlement of the provision for outstanding claims for previous years. It was thus possible for the technical income statement to be concluded with considerably reduced loss compared to the previous year.

The premium income of the insurance against civil liability in respect of the use of motor vehicles exceeded the previous year's level. The claims expenditures for the financial year remained at a nearly constant level; however, the settlement of the provision for outstanding claims for previous years improved considerably. Therefore, after allocation to the equalisation fund, it proved possible for another clearly positive technical result to be achieved.

Increased premium income was offset by nearly constant claims expenditures in the comprehensive insurance segment. Therefore, the negative segment result of the previous year prior to allocation to the equalisation fund could be improved. After allocation to the equalisation fund, however, the segment concluded the financial year with a negative technical result.

The partially comprehensive insurance segment concluded the financial year with an improved technical result, with constant premiums compared to the previous year and with improved loss development compared to the previous year. After allocation to the equalisation fund, the financial year was completed with a technical loss.

Fire

In the agricultural fire insurance segment, it proved possible for the premium income to be increased compared to the previous year. The claims experience was considerably more positive in this financial year than it was in the previous year; the same applies to the results from the settlement of the provision for outstanding claims for previous years. Therefore, the segment concluded the financial year with a positive technical result.

The premium income in the Fire-Other segment that slightly increased compared to the previous year again led to a considerable improvement of the result compared to the previous year, with a more favourable loss experience. Nonetheless, after allocation to the equalisation fund, the segment concluded the financial year with a negative technical result.

Householders' comprehensive

Nearly constant premium income in the financial year is offset by considerably increased claims expenditures. This development in the financial year led to a negative technical result for the householders' insurance in the financial year.

Homeowner's comprehensive

As already mentioned, "Ela" particularly impaired the result of the homeowner's comprehensive insurance in 2014 and caused a technical loss. Due to the efforts to adjust the premiums in the case of ruinous contracts appropriately and to increase the premiums in the new business correspondingly and to furthermore grade them according to age, the net result could be improved compared to the previous year.

Burglary

In the financial year, the premium income remained at the previous year's level while the claims expenditures declined compared to the previous year. After allocation to the equalisation fund, the segment concluded the financial year with a negative technical

segment result that was slightly better than that in the previous year.

Water damage

Despite allocation to the equalisation fund and despite a considerably more favourable claims experience, constant premium income caused a considerably improved negative technical result compared to the previous year.

Glass

With slightly declining premium income and further reduced claims expenditures, the segment concluded the financial year with a positive result, despite allocation to the equalisation fund.

Windstorm

The premium income remained practically constant in the financial year; the claims expenditures declined compared to the previous year. The necessary allocation to the equalisation fund led to a worse negative technical result, however.

Transport

Increasing premium income and declining claims expenditures led to a positive technical result in the transport segment, despite allocation to the equalisation fund.

Other and not subdivided insurance

Due to the merger, the premium income in the not subdivided insurance segments increased again considerably. With nearly constant claims expenditures and the operating costs that increased due to the business expansion, there was a positive technical result.

Assumed Reinsurance Business

General third party liability

Increasing premium income and declining expenses for insurance claims ensured that it was possible for the segment to be completed with a positive technical result.

Motor

Declining premium income could be partially compensated by a positive result in the settlement of the provision for outstanding claims for previous years. Nonetheless, the motor segment concluded the financial year with a slightly negative result.

Life

Compared to the previous year, the premium income increased again. At the same time, however, the claims expenditures substantially increased as well. Due to the increase of the assumed business, allocations to the provision for life insurance were also required to a larger extent. Therefore, this resulted in technical result that was better compared to the previous year, but still negative at the end of the financial year.

Other and not subdivided insurance

With the other and not subdivided insurance segments, a negative technical result occurred for the financial year with increased premium income, although the claims experience was considerably less favourable in comparison with the previous year

Legal framework conditions

In the financial year 2014, there were numerous important legal changes and statutory reforms as well as high court decisions for the insurance industry.

The European Parliament (EP) passed the draft directive to enforce private actions for damages in the of infringements of the competition law on 17 April 2014. Class action instruments are not provided in the directive. After completion of the legislative procedure, the Member States will have two years to implement the provisions of the directive into national law.

On 3 September 2014, the federal government adopted the bill for modernisation of the financial supervision of insurance companies (so-called 10th amendment to the VAG [Regulation on the Supervision of Insurance Undertakings]). With this resolution, the Solvency II Framework Directive from 25 September 2009, changed by the Omnibus II Directive from 22 May 2014, shall be implemented into German law. The Solvency II Framework Directive shall be implemented into national law until 31 March 2015. The effective date and application of the national law are demanded for 1 January 2016. General reforms compared to the current Regulation on the Supervision of Insurance Undertakings (VAG) include: New regulations on risk-oriented solvency capital and equity requirements, market values as new valuation provisions for assets and liabilities, higher requirements to the corporate organisation and the reporting to the regulatory authority and the public as well as requirements to additional supervision of insurance groups.

On 30 September 2014, a revised version of the German Corporate Governance Code (DCGK) was published in the Federal Gazette. The changed DCGK thus became effective. The DCGK is a set of rules mainly including recommendations and suggestions aimed at good corporate governance. Section 161 Aktiengesetz [AktG / German Company Law] obligates listed and certain non-listed companies to

issue an annual declaration on whether they adhere to the recommendation for conduct. The now published DCGK does not contain any essential new content compared to the 2013 version. Some clarifying explanations and footnotes were added to the sample tables for the remuneration of the Executive Board in the attachment to the code.

On 7 January 2015, the federal government passed a bill for the change of the Company Law, the 2014 amendment to the Company Law. The bill particularly provides for a new regulation for the issue of bearer shares to make the participation structures of non-listed public limited companies more

transparent for the purpose of effective fight against terrorist financing and money laundering. The law will presumably become effective in August/September 2015.

Where required, RheinLand Versicherungsgruppe has taken the necessary measures to reasonably respond to the changed legal framework conditions.

Supplementary Report

There have not been any events of particular importance after the conclusion of the financial year.

Forecast, Opportunities and Risk Report

Forecast Reporting

The insurance industry expects a continuation of the previous year's trend for the current financial year. The improved growth prospects of the German economy, with continuously increasing employment and an accelerated increase in available income with an inflation rate near zero, will be sure to increase the leeway of private households and the companies for the extension of their insurance coverage. In the non-life insurance segment, the premium growth is set to continue at least at the previous year's level. In the motor insurance segment, the most important segment of the property insurance by far, the events at the turn of the year did not apparently cause any concern that this segment could drop into the red technical range in the course of the year. In the segment traditionally of concern of homeowner's comprehensive insurance, the efforts for adequate premiums were continued. If the development on the loss side continues to relax, there is the chance that the technical numbers could be in the black again for the first time after several years.

The strategic reorientation of our exclusivity organisation is now at a very advanced stage. All the measures are taken emphatically, because the challenges we have to face regarding exclusivity are major. The digitalisation of the sales processes has had an increasing influence on the existing management and organisation models; also, our clients are better informed than ever thanks to the extensive use of digital media. Not least, we see ourselves confronted with a flood of regulatory requirements.

Against this backdrop, we took measures to professionalise our field sales services at the beginning of 2015 within the context of our action programme. A fundamental restructuring of our exclusivity organisation was initiated that we will have to deal with in the forthcoming months. The existing five Sales Centres will be closed in the course of the year; the tasks previously bundled there will be taken over by the newly formed "Sales Service" in the group

management. This unit supports the sales executives, is the point of contact for all agencies and interface to the central sales division. Furthermore, two country directors who report directly to the division management will manage the sales territory newly divided into "North" and "South". In addition to the sales support, their most important task is the management and control of the sales managers. To gain an even stronger position as a commercial insurer, a team of specialists is being formed, the main task of which will be the expansion of the commercial business and the targeted tender preparation. We are confident that this bundling of know-how, administrative tasks and leadership competence at a central location will enable us to focus more strongly than ever on the agency development, sales and professional customer advisory services in our sales territories. By means of the stated measures, we hope to ensure that our exclusivity will maintain its traditionally important role within the RheinLand-Gruppe in the long term.

Our bancassurance sales channel consistently drives the development of new fields of expansion in Germany and abroad. In Germany, the start of business 2015 was as expected. Our extended cooperation with an important partner created additional potential. The sale of term life insurances, which started successfully in the Netherlands, has already been generating pleasantly high market shares there. The dynamically developing business gained additional impulses thanks to the very good result of the product rating in early 2015. In addition, we further extend the sale of payment protection insurance in the Netherlands. Also, we intend to introduce existing cooperation partners to our business with guarantee insurance; we are therefore following our strategy to consistently develop existing sales partnerships. We had a good start in Italy, where we now wish to position ourselves on a gradual basis.

Due to the ECB's resolution in early 2015 to purchase government bonds to the extent of € 60 billion per month until September 2016, yields are reaching

new lows. As a consequence, the results from the investments will develop below the planned level. Supported by the still very expansive monetary policy of the ECB, we are forecasting continuously low yields for 2015.

From today's point of view, we expect a decline in entered gross premium income, particularly in the payment protection and purchase price insurance, in 2015. Due to the expansion of essential new business segments, we expect a slightly increasing cost development. With a sustained positive course of business particularly in the non-life insurance segment and unchanged capital markets, we expect a business result for the 2015 financial year that will have improved compared to the previous year.

Opportunities Reporting

The business model of RheinLand Versicherungsgruppe is focussed on the three sales channels of own field sales service, broker business and bancassurance. In the context of its continuous expansion, the Group has a clear and lean structure with a profit-oriented focus. Furthermore, reorganisation measures as well as innovative products ensure that each business segment contributes to the Group's profitability. An increased level of awareness for changes is contributing to strengthen creativity, innovation and success.

RheinLand Versicherungs AG sees its key strengths in the own field sales service to be in the fields of property, third party liability and accident insurance business; and in bancassurance, in the fields of payment protection, purchase price and guarantee insurance. The stronger focus on profitable business segments and the further expansion of the sales channels will ensure the continued viability of RheinLand Versicherungs AG in the insurance market.

Risk Reporting

According to Section 91, Para. 2 AktG, public limited companies are obliged to report on risks of the future development. Furthermore, further legal

requirements were laid down for the risk management of insurance companies, in anticipation of the qualitative supervision according to Solvency II, as a consequence of Sections 55c and 64a of the Regulation on the Supervision of Insurance Undertakings (VAG) applicable since 1 January 2008, and their detailed definition by way of the Minimum Requirements for Risk Management in Insurance Undertakings (MaRisk VA) as well as the regulatory requirements from the preparatory guidelines on Solvency II. The fulfilment of these requirements was implemented uniformly throughout the Group. Moreover, the group-wide project launched in 2010 for further preparation for Solvency II was continued in 2014. This project is very ambitious due to its complexity in terms of both capacities and costs.

The risk management documentation is reviewed on an annual basis and was subjected to complete revision in 2014. In particular, this includes the risk strategy derived from the business strategy, the internal risk management guideline, the limit system and the handling and assessment of operational, strategic and reputation risks. Furthermore, the internal management and control system is examined at least once a year in the respective areas and updated if required.

For RheinLand Versicherungs AG, the underwriting risk and the market risk in the field of investment are of essential concern. According to the individual risk categories, the following risk position arises for the company as a whole:

Underwriting risk

Underwriting risk describes the risk that, based on coincidence, error or change, the actual expenses for claims and benefits deviates from the anticipated expense. It also includes the cost and disaster risk.

Non-life insurance

According to suitable underwriting guidelines and authorities to sign, RheinLand Versicherungs AG pursues the extension of property, third party liability and accident segments in the private and commercial business with stable contribution margins essentially via its own field sales service. Due to the regional focus with regard to the business area, there are concentration risks in case of natural disasters. These risks particularly concern the homeowner's comprehensive insurance and the resulting volatility of results. The goal is to significantly reduce the potential effects on the basis of a suitable mix of portfolio reduction, co-insurance and reinsurance. Classic large-scale industry or commercial business with major loss and/or long-term loss potential is not underwritten. Consistent hedging of the income via regular controlling of the segments and, where required, consistent reorganisation is made.

Rating and reservation function are established in different areas. The reservation is in accordance with commercial and actuarial guidelines of the principle of prudence. The reservation for claims related to individual cases follows fixed internal loss guidelines to ensure appropriate and consistent reservation. The sufficiency of the reserves is regularly reviewed.

Under the premise of a stipulated target return as well as defined target claim ratios, a premium-oriented multi-year planning is prepared. On this basis, analyses and controlling of the development of the

risks in the insurance portfolio are performed.

Payment protection insurance

In the payment protection business, the portfolio of RheinLand Versicherungs AG consists of occupational disability and unemployment insurances. These are sold via cooperation partners for the hedging of instalment payment defaults in the credit and leasing business. Following the merger of the Dutch company RiMaXX International N.V. with RheinLand Versicherungs AG, the latter bears the risk arising from this business.

Under the "Credit Life International" brand, RheinLand Versicherungs AG is one of the leading payment protection specialists in Germany and beyond. The technical risks are controlled on the basis of the existing data bases and experiences. This is of particular importance because no generally applicable statistical calculation bases from the German Insurance Association (GDV) or the German Actuarial Society (DAV) available in this special segment. A systematic monthly technical Target/Actual controlling by customer groups and segments ensures that serious negative developments are promptly identified.

Reinsurance

RheinLand Versicherungs AG aims for a needs-based, inexpensive reinsurance policy in consideration of the aspects of security and continuity. With regard to the selection of individual reinsurance contract partners, against the backdrop of the long-term contractual relationships aspired, there is the requirement of a minimum rating A- as an additional condition with regard to their credit rating (Standard and Poor's or a similar rating of another rating agency). Market developments and deteriorations of the credit rating are subject to continuous monitoring as part of the limit system. The reinsurance business assumed by external companies has become more important again due to new contractual relationships.

Risks from investments (market risk, default risk)

Market risk describes the risk resulting directly or indirectly from the sensitivities of assets, liabilities and financial instruments with regard to changes or the volatility of the interest curve and/or interest rates, the share prices, the credit spreads (via the risk-free interest curve) as well as the real estate market prices. The market risk includes the exchange rate risk. It also includes concentration risks resulting from lack of diversification of the asset portfolio.

Default risk describes the risk resulting from unexpected default or deterioration of the credit rating of counterparties and debtors.

To control the investment risks, there are already high regulatory requirements that are described and specified as part of the in-house investment guidelines and procedures. In addition, investment risks are monitored and controlled by defined risk capital budgets, limits and threshold values.

There is a traffic light system for the provision for loan losses and control of the portfolios of ABS securities. On the basis of this traffic light system and the existing external ratings, the ABS Fund and the direct portfolio are regularly monitored in terms of potential defaults, and the current status is reported to the Executive Board and the Supervisory Board. ABS securities in the ABS Fund that receive a red marking on the traffic light are immediately transferred to the direct portfolio in order to guarantee the ABS Fund's premium reserve stock eligibility.

The book value of the Fund amounts to € 9.9 million and corresponds to the fair value. Furthermore, there are ABS securities with a book value of € 2.6 million and a fair value of € 2.9 million in the direct portfolio.

Depreciations were not required. At present, there are no repayment defaults with regard to ABS securities. However, it cannot be excluded that depreciations occur in the future due to repayment defaults.

In the reporting year, RheinLand Versicherungs AG made reinvestments in the ABS Fund in high-quality short-term Asset Backed Securities (at least A rating). Due to the dissolution of the ABS II Fund, RheinLand Versicherungs AG recognised an addition of ABS securities to the direct portfolio to the amount of € 0.3 million in the financial year. The company continued to refrain from further new investments in structured products involving credit risks (Asset Backed Securities, Collateralised Debt Obligations, Collateralised Loan Obligations) and/or from investments in private equity and credit linked notes.

Investment is primarily focussed on European issuers with a high credit rating (average rating of "AA"). There are no investment commitments (government bonds) in heavily indebted countries of the euro area (PIIGS - Portugal, Ireland, Italy, Greece, Spain).

The bond portfolio of RheinLand Versicherungs AG is as follows:

Bond portfolio	in € million	in % to total
Total	352.0	
of which government bonds	32.6	9.3
Bank exposure	308.1	87.5
Corporate bonds	8.7	2.5
ABS products	2.6	0.7

With regard to the bonds stated (excluding ABS direct portfolio), there is additional hedging by:

Collaterals	in € million	in % to total
Right of lien	166.7	47.3
Guarantor liability	0.0	0.0
Deposit protection	114.1	32.4
State guarantee	39.6	11.2
Without	29.1	8.3

With regard to the bond portfolio in the bank exposure with a total of € 308.1 million, there are none of the above hedging measures to the amount of € 15.9 million.

There is subordination (excluding ABS direct portfolio) in the following amount:

Subordination	in € million	in % total
Profit-sharing rights	0.5	0.1
Subordinated loans	1.0	0.3

There is no guarantee risk regarding the investment required to finance the guaranteed minimum interest rate (here only accident), not even with a lasting low-interest phase.

Fluctuations in the capital market in the future will only result in limited depreciation risks for RheinLand Versicherungs AG due to the high degree of security of the investments. Dropping prices would primarily lead to hidden charges being shown due to the buy and hold strategy.

The current developments are analysed continuously. Currently, there has been no cause to take significant action. The internal stress tests performed over the course of the year did not result in any need for action either.

Like the investments, the receivables from reinsurers, brokers and customers are always subject to a credit risk. For the provision for loan losses, RheinLand Versicherungs AG performed value adjustments with regard to the receivables portfolio where required.

Operational risk

Operational risk describes the risk of losses due to unsatisfactory or failed internal processes or employee- or system-related incidents or external incidents as well as legal risks.

The operational risks are controlled and monitored by the responsible divisions. With regard to the operational risks, scenario analyses are performed once a year and the risk indicators concerning the monitoring over the course of the year are reviewed. Emergency plans, insurances, access controls as well as authority and authorisation rules result in low probability of occurrence.

As part of the risk control of operational risks, a documented Internal Control System (ICS) plays a central role. It ensures the systematic prevention and early detection of process risks. To manage the essential process risks, key controls have been set up.

In general, there is the risk that the court rulings issued in individual cases can also affect the operating units of RheinLand-Gruppe. Where required, the risk is addressed by forming an adequate provision.

Changes to the legal framework conditions played a major role for the payment protection insurance in 2014. A ruling of the Federal Supreme Court according to which the exclusion clause used by some insurers was found invalid due to insufficient transparency affects RheinLand Versicherungs AG as well. The exclusion clause serves to absorb a negative risk selection by the typically missing health examination. In the meantime, a new exclusion clause has been prepared that meets the requirements of the Federal Supreme Court ruling. It is successively introduced at our cooperation partners. A provision was formed for potential claims.

Liquidity risk

Liquidity risk describes the risk of losses due to decline of the prices or lack of liquidity of the relevant markets with sale of assets due to short-term liquidity need.

For regular monitoring of the liquidity, monthly liquidity plans are created. Due to the short duration (3.23 years) of the bond portfolio and the business model, on a monthly average, the liquidity profit of RheinLand Versicherungs AG is approx. 12.7% with regard to the total investments, and the expected liquidity profit is approx. € 70.6 million for 2015 without reinvestments. Therefore, there is no liquidity risk from today's point of view.

Strategic risk

Strategic risk is the risk arising from strategic business decisions. Strategic risk also includes the risk arising from the fact that business decisions are not adapted to a changed economic environment. As a general rule, strategic risk

constitutes a risk that arises in connection with other risks. However, it may also occur as individual risk.

Clearly regulated decision-making processes and a close cooperation of all relevant decision-making bodies are the basis for efficient control of strategic risks. Planning and controlling processes guide and monitor the achievement of the strategic objectives. A structured planning process involving all relevant business segments is implemented.

Every year, the strategic risks are identified and qualitatively evaluated as part of a SWOT analysis. The major risks identified are included in the above risk categories.

Reputation risk

Reputation risk is the risk resulting from possible damage sustained by the reputation of RheinLand Versicherungs AG due to negative perception in the public (e.g. by customers, business partners, shareholder, authorities). Like the strategic risk, the reputation risk usually constitutes a risk that often arises in connection with other risks.

However, it may also occur as individual risk.

Reputation risks are qualitatively evaluated on a regular basis and continuously monitored. In 2014, there was no reputation risk for RheinLand Versicherungs AG.

Summary presentation of the risk position

Overall, there is currently no development evident that could unexpectedly have an adverse and lasting effect on the net assets, financial position and results of operations of RheinLand Versicherungs AG.

Solvency II

On 1 January 2014, the uniform preparation stage of the new Solvency II supervisory regime started across Europe, which is supposed to be launched on 1 January 2016. The compliance with the preparatory guidelines is actively supervised by the Federal Financial Supervisory Authority. The topics stipulated by the supervisory authority for this purpose are systematically projected and implemented by RheinLand Versicherungsgruppe. The company will continue to prepare for the new requirements. Current developments will be taken into account.

Relationships to Affiliated Companies

The share capital of RheinLand Versicherungs AG is held at 100% by RheinLand Holding AG, Neuss. Furthermore, RheinLand Versicherungs AG is affiliated in Germany with RheinLand Lebensversicherung AG, Neuss, Credit Life AG, Neuss, Rhion Versicherung AG, Neuss, RheinLand Betriebsrestaurant GmbH, and in the Netherlands with Rheinland Groep Nederland B.V., Amsterdam, according to Section 18 (1) AktG. The named companies are affiliated companies in terms of Section 271 (2) HGB [German Commercial Code]. The protective clause according to Section 286 Para. 3 Clause 1 No. 2 HGB was made use of.

A control and profit and loss transfer agreement is concluded with RheinLand Holding AG.

There is a reinsurance relation with Rhion Versicherung AG.

A service agreement on the technical and commercial administration of the insurance portfolio, the asset management and investment as well as the general administration was concluded with RheinLand Lebensversicherung AG, Credit Life AG, Rhion Versicherung AG and RheinLand Holding AG.

In addition, the field sales service procured life insurances for RheinLand Lebensversicherung AG, who does not have its own sales organisation.

An agency contract with effect from 1 January 2013 was concluded with Credit Life International Services GmbH on payment protection insurance brokerage.

The direct and indirect expenses accrued for services rendered to affiliated companies were charged.

Memberships

The company is a member of “Gesamtverband der Deutschen Versicherungswirtschaft e.V.”, Berlin, the professional associations affiliated with it as well as “Arbeitgeberverband der Versicherungsunternehmen e.V.”, Munich.

Furthermore, it is a member of the associations “Verkehrsofferhilfe e.V.”, Hamburg, “Deutsches Büro Grüne Karte e.V.”, Hamburg, “Versicherungsombudsmann e. V.”, Berlin, and “Pensions-Sicherungs-Verein VVaG”, Cologne.

Personnel

The number of our employees increased to 797 in the reporting year (previous year: 660). The significant increase is attributed to the closure of the Venlo site and the assumption of employees in connection with the merger. The share of women employed in our firm remained at 43% and has thus not changed compared to the previous year.

For many years, RheinLand Versicherungs AG, one of the largest training companies in the region Rhein-Kreis-Neuss, has offered young people a customised start for their career. In this regard, we stand out due to recognised high quality across the professions. Training is provided with the latest learning methods and practically-oriented working methods. With commitment and creative ideas, the office and field service trainers work together with the trainees to achieve the best possible results.

The focus of our initial training is on field service training in order to gain qualified RheinLand customer consultants for the future. Approx. 60% of the trainees for commercial agent for insurances and finances are employed in the sales divisions of our nationwide regional offices, branches and general agencies.

By the start of the year of training on 1 August 2014, RheinLand Versicherungs AG hired 24 trainees. Thirteen are being trained to become commercial agents for insurances and finances in the field, while seven are completing training to become commercial agents for insurances and finances in the office. Apart from a trainee for commercial agent for office management, three trainees are combining their education with the integrated studies according to the “Cologne Model”. The cooperation with the German Insurance Association for Vocational Education and Training in the Rheinland area and the faculty for insurance management at the Cologne University

of Applied Sciences offers the trainees bright prospects in the insurance industry with the academic degree “Bachelor of Science”.

At the end of the reporting year, we prepared a total of 44 (2013: 45) young people for their future careers.

We focussed on further increasing our executive's leadership competence in 2014 as well: New executives are prepared for their role as leaders in a mix of individual coaching and internal seminars. Experienced executives receive individual support with counselling and feedback interviews.

It is of prime importance for us to maintain the health and efficiency of our employees. Within the scope of our Operational Health Management, we highlight different focal points each year. In 2014/2015, we focussed on back health. Diseases of the muscular and skeletal system are the number one cause of inability to work according to the general statistics. Three out of four Germans suffer from back problems at least once in their life. The main reasons are muscle tensions due to malpositions, one-sided burdens and lack of exercise. For targeted prevention or reduction of back problems, the project “Rückenfit am Arbeitsplatz” [back fit at the workplace] started in May 2014. A comprehensive training is offered to all employees, e.g. directly at the workplace. Around 300 employees took part in the training programme until the end of the 2014 reporting year. The project is being continued in 2015.

New perspectives for successful field customer consultants

The first “RheinLand Talentschmiede” [talent workshop] took place in the 2014 reporting year: Successful customer consultants were qualified to

become top sellers, specialists or agency successors. A total of seven customer consultants had a year of intense learning: They gained expert knowledge, visited sales seminars, sat in on lectures and focused on their own personality development (coaching). The goal is to show perspectives to successful customer consultants and thus increase the personal success as well as the agency's success. Networking and transfer of knowledge among one another were other important qualification elements.

Environmental Management

As an insurance group, we are affected by changing environmental and climate conditions and the related increase of damage caused by severe weather conditions and the resulting claims costs to a great extent. For this reason alone, we practice active internal and external environmental protection in order to save resources, reduce operating costs and, not least, to act as a role model. We are supported by an environmental management system that governs our environment-relevant processes and helps us to systematically identify and use potentials for improvement.

As a key goal of our environmental protection efforts, we intend to ensure the CO₂ neutrality of our business operation for 50 years. In cooperation with “PRIMAKLIMA-weltweit e.V.”, we have supported reforestation projects at our sites in Germany, in Europe and worldwide. These reforested areas are now compensating for all CO₂ emissions of our business operations on aggregate, and so much so that we were able to achieve our goals in this area in May 2011. This made us the second insurers in the German market to achieve the CO₂ neutrality of its business operations so quickly.

With our periodically published environmental assessment, we prove every year that we handle our energy consumptions and resources frugally and

cautiously and rightfully use the “CO₂ neutrality of our business operation” title. We will continue to provide this proof on an open and transparent basis.

Neuss, 23 April 2015

The Executive Board

Christoph Buchbender

Dr. Lothar Horbach

Udo Klanten

Andreas Schwarz

Financial Statements

Balance Sheet as at 31 December 2014

Assets	2014	2014	2014	2014	2013
	€	€	€	€	adjusted €
A. Intangible assets					
Acquired concessions, industrial property rights and similar rights and values as well as licenses to such rights and values				5 652 701.17	5 401 421.44
B. Investments					
I. Investments in affiliated companies and participating interests					
1. Shares in affiliated companies		1 431 061.13			1 394 486.03
2. Loans to affiliated companies		0.00			0.00
3. Participating interests		1 100 859.44			1 100 859.44
			2 531 920.57		2 495 345.47
II. Other investments					
1. Shares, investment shares and other non-fixed-income securities		11 648 765.14			12 120 818.30
2. Bearer bonds and other fixed-income securities		202 152 411.68			192 506 154.24
3. Claims arising from a mortgage, a land charge or an annuity charge		805 287.07			912 731.53
4. Other loans					
a) Registered bonds	35 005 862.90				35 000 000.00
b) Notes receivable and loans	114 344 972.23				111 598 661.30
c) Remaining loans	500 954.78				501 488.42
		149 851 789.91			147 100 149.72
5. Deposits at banks		43 817 970.13			29 471 969.75
6. Other investments		20 920.00			20 920.00
			408 297 143.93		382 132 743.54
III. Deposits retained under the assumed reinsurance business			874 636.07		1 078 894.10
of which: from affiliated companies					(176 871,74)
€ 0.00				411 703 700.57	385 706 983.11
C. Receivables					
I. Receivables arising out of direct insurance operations from:					

Assets	2014	2014	2014	2014	2013
	€	€	€	€	adjusted €
1. Policyholder		1 646 665.70			1 839 977.38
2. Intermediaries		3 641 745.46			6 500 133.11
			5 288 411.16		8 340 110.49
II. Reinsurance receivables			11 755 841.51		12 721 582.17
of which: from affiliated companies € 0.00					(2 347 897.67)
III. Other receivables			11 516 152.18		5 423 405.50
of which: from affiliated companies € 8 747 077,35					(4 431 588.58)
				28 560 404.85	26 485 098.16
D. Other assets					
I. Fixed assets and inventories			5 931 733.81		5 381 247.12
II. Current cash at credit institutions, checks and cash-in-hand			10 620 045.58		10 469 808.19
III. Other assets			379 645.94		379 645.94
				16 931 425.33	16 230 701.25
E. Deferred items					
I. Deferred interest and rent			3 335 296.00		3 678 219.35
II. Other deferred items			5 416 942.81		6 323 247.93
				8 752 238.81	10 001 467.28
F. Excess of plan assets over pension liability				67 539.06	75 170.05
				471 668 009.79	443 900 841.29

Equity and liabilities

	2014	2014	2014	2013
	€	€	€	adjusted €
A. Equity				
I. Subscribed capital		39 304 192.00		39 304 000.00
II. Capital reserve		19 756 701.77		19 756 701.77
III. Retained earnings				
1. legal reserve	2 823 717.43			2 323 698.23
2. other retained earnings	6 580 236.52			4 443 747.45
		9 403 953.95		20 804 126.75
IV. Net profit for the year		0.00		14 036 681.07
			68 464 847.72	79 864 828.52
B. Subordinated liabilities			0.00	0.00
C. Technical provisions				
I. Unearned premiums				
1. Gross amount	149 496 804.80			143 379 472.30
2. of which: Share for the assumed reinsurance business	50 446 622.93			71 576 080.79
		99 050 181.87		71 803 391.51
II. Provision for life insurance				
1. Gross amount	82 715 484.00			51 825 920.24
2. of which: Share for the assumed reinsurance business	0.00			0.00
		82 715 484.00		51 825 920.24
III. Provision for outstanding insurance claims				
1. Gross amount	183 817 111.92			165 699 362.21
2. of which: Share for the assumed reinsurance business	73 310 099.44			65 223 157.37
		110 507 012.48		100 476 204.84
IV. Equalisation fund and similar provisions		23 439 153.00		23 638 546.00
V. Other technical provisions				
1. Gross amount	1 244 621.14			1 218 802.44
2. of which: Share for the assumed reinsurance business	613 781.17			520 196.21
		630 839.97		698 606.23
			316 342 671.32	248 442 668.82
D. Other provisions				
I. Tax provisions		46 000.00		0.00
II. Other provisions		11 813 735.70		5 899 214.75
			11 859 735.70	5 899 214.75
E. Deposits retained			47 670 890.97	72 566 883.52

Equity and liabilities	2014	2014	2014	2013
	€	€	€	adjusted €
F. Other liabilities				
I. Amounts payable on direct insurance operations to:				
1. Policyholders	7 640 126.11			7 878 231.28
2. Intermediaries	1 547 841.98			1 248 917.90
		9 187 968.09		9 127 149.18
II. Reinsurance payables		7 951 269.67		14 497 201.69
of which: to affiliated companies				
€ 0.00 (€ 0.00)				
III. Other liabilities		7 121 330.48		11 523 638.53
of which: to affiliated companies				
€ 0.00 (€ 3 481 107.54)				
of which: from taxes				
€ 2 993 824.82 (€ 4 043 973.97)				
of which: for social security				
€ 3 541.04 (€ 0.00)				
			24 260 568.24	35 147 989.40
G. Deferred items			3 069 295.84	1 979 256.28
			471 668 009.79	443 900 841.29

It is confirmed that the provision for life insurance disclosed in the balance sheet under items C. II. and/or C. III. of the equity and liabilities was calculated taking into account Section 341 et seq. and Section 341 g HGB and the regulations enacted on the basis of Section 65 Para. 1 VAG.

Neuss, 1 April 2015

The responsible actuary
Lutz Bittermann

Profit and Loss Account for the period from 1 January to 31 December 2014

	2014	2014	2014	2013
	€	€	€	adjusted €
I. Technical account				
1. Net premiums earned				
a) Gross premiums entered	313 990 321.95			289 717 455.52
b) Reinsurance premiums paid	84 938 907.84			82 944 255.50
		229 051 414.11		206 773 200.02
c) Change in gross unearned premiums	- 6 117 332.50			- 744 021.47
d) Change in the share of the reinsurers in the gross unearned premiums	21 129 457.86			15 316 844.72
		- 27 246 790.36		- 16 060 866.19
			201 804 623.75	190 712 333.83
2. Net technical interest income			152 794.17	159 896.14
3. Other net technical income			101 495.60	76 596.45
4. Net costs for insurance claims				
a) Payments for insurance claims				
aa) Gross amount	122 885 623.31			106 709 782.04
bb) Share of the reinsurers	42 460 233.75			34 149 480.70
		80 425 389.56		72 560 301.34
b) Change in the provision for outstanding insurance claims				
aa) Gross amount	17 848 886.62			- 2 427 590.79
bb) Share of the reinsurers	8 086 942.07			- 4 299 025.39
		9 761 944.55		1 871 434.60
			90 187 334.11	74 431 735.94
5. Change in the other net technical provisions				
a) Net provision for life insurance		30 889 563.76		35 938 288.24
b) Other net technical provisions		- 67 766.26		22 206.01
			30 821 797.50	35 960 494.25
6. Net costs of insurance operations				
a) Gross costs of insurance operations		124 246 173.42		123 549 040.51
b) of which from: Commissions and participations in profits received from reinsurance business		47 963 766.01		50 297 221.23
			76 282 407.41	73 251 819.28
7. Other net technical costs			595 078.98	538 077.57
8. Subtotal			4 172 295.52	6 766 699.38
9. Change in the equalisation fund and similar provisions			199 393.00	- 1 466 447.00
10. Net technical result			4 371 688.52	5 300 252.38

	2014	2014	2014	2013
	€	€	€	adjusted €
Carryover net technical result			4 371 688.52	5 300 252.38
II. Non-technical account				
1. Investment income				
a) Income from participating interests	100 000.00			28 100 000.00
of which: from affiliated companies € 0.00				
b) Income from other investments	8 819 917.23			10 259 583.80
of which: from affiliated companies € 0.00				
c) Income from write-ups	144 001.50			0.00
d) Profits from the disposal of investments	1 024 968.00			1 203 102.48
		10 088 886.73		39 562 686.28
2. Investment costs				
a) Costs for the administration of investments, interest costs and other investment costs	649 974.42			443 172.80
b) Depreciation of investments	279.10			57 993.90
c) Losses from the disposal of investments	12.89			26 459.51
		650 266.41		527 626.21
		9 438 620.32		39 035 060.07
3. Technical interest income		- 152 794.17		- 159 896.14
			9 285 826.15	38 875 163.93
4. Other income		45 196 697.41		34 301 514.41
5. Other costs		50 311 263.22		36 932 085.02
			- 5 114 565.81	- 2 630 570.61
6. Result from ordinary business operations			8 542 948.86	41 544 845.70
7. Extraordinary income		0.00		0.00
8. Extraordinary costs		0.00		0.00
9. Extraordinary result			0.00	0.00
10. Tax on income and profit	4 629 140.00			5 986 701.17
plus inter-company contribution	0.00			0.00
		4 629 140.00		5 986 701.17
11. Other taxes		7 885.00		6 136.00
			4 637 025.00	5 992 837.17
12. Profits transferred on the basis of a profit pool, a profit transfer agreement or a partial profit transfer agreement			3 405 904.66	21 515 327.46
13. Net income for the year			500 019.20	14 036 681.07
14. Allocation to revenue reserves				
a) to the legal reserve			500 019.20	0.00
15. Net profit for the year			0.00	14 036 681.07

Notes

Accounting and Valuation Methods

Due to the merger with RiMaXX International N.V., individual items of the financial statements have increased extraordinarily. By way of comparison, both companies' figures from the previous year are therefore summarised in a table on pages 36 and 37.

Assets

Intangible assets

The paid intangible assets (IT software) were valued at acquisition costs. They were amortised pro rata temporis on a straight line basis.

Investments

Shares in affiliated companies

The shares in affiliated companies are valued with the acquisition costs and/or with the lower value according to Section 253 Para. 3 Clause 3 HGB.

Participating interests

The participating interests are valued with the acquisition costs and/or with the lower value according to Section 253 Para. 3 Clause 3 HGB. An explanation on the participating interests is printed on page 38.

Shares, investment shares and other non-fixed-income securities

As in the previous year, the investment shares were allocated to the fixed assets by the company.

The investment shares were valued according to Section 341 b Para. 2 HGB in connection with Section 253 Para. 3 HGB according to the moderate lower of cost or market principle. Exchange rates were used as valuation standard. This excludes the RheinLand ABS Fund I that was valued at fair value. With regard to the ABS Fund I, the fair value was calculated by means of the so-called nominal value method based on the nominal values to be expected

for the securities contained in the Fund at maturity, unless credit rating-linked adjustments are to be made.

In this context, other assets contained in the funds (e.g. cash/debt management) are first taken into account with nominal values.

Bearer bonds and other fixed-income securities

As in the previous year, the company made use of the possibility of Section 341 b Para. 2 HGB to determine bearer bonds and other fixed-income securities with a book value of € 202 152 k (previous year: € 113 906 k and/or € 192 506 k after the merger) to permanently serve the business operation. These investments are treated as fixed assets according to Section 253 Para. 3 HGB.

The requirement to reverse impairment losses according to Section 253 Para. 5 HGB was fulfilled; there have not been any write-ups.

Depreciations were made on the fair value if it exceeded the nominal value and/or on the nominal value if it exceeded the fair value. Due to the application of the moderate lower of cost or market principle, depreciations to the amount of € 176 k were prevented in the financial year.

The book value of the bearer bonds that exceed the fair value amounts to € 14,069 k. Depreciations were made in the 2014 financial year to the amount of € 279.10.

The "non-investment grade" securities taken from the ABS Fund I into the direct portfolio were estimated at acquisition costs, unless credit rating-related adjustments are to be made. Resulting depreciations in value are monitored by means of a traffic light system.

Claims arising from a mortgage, a land charge or an annuity charge

The claims arising from a mortgage, a land charge or an annuity charge are valued at the continued acquisition costs. In this respect, value adjustments are performed to a reasonable extent.

Other loans

The option to recognise registered bonds with the nominal value according to Section 341c Para. 1 HGB has not been exercised. The valuation was made according to Section 341b Para. 1 in conjunction with Section 253 Para. 1 and 3 at the continued acquisition costs. Any possible differential amounts (premium and/or discount) are amortised by using the effective interest method over the maturity.

The promissory note bonds are recognised in the balance sheet at the continued acquisition costs according to Section 341c Para. 3 in conjunction with Section 253 Para. 3. Any possible differential amounts (premium and/or discount) are amortised by using the effective interest method over the maturity. Since we do not assume any counterparty default risks, we have not performed a depreciation.

Other assets

The receivables arising out of direct insurance operations from policyholders and intermediaries as well as the reinsurance receivables were recognised at the nominal value minus value adjustments.

Provisions for specific doubtful debts were formed in sufficient amount if the irrecoverability was obvious. The general provision for doubtful debts for the general default risk is based on our experience.

The other receivables were valued at their nominal value.

The fixed assets were capitalised at their acquisition costs and depreciated on a straight line basis. Low-value assets with acquisition costs of less than € 150 were fully depreciated in the year of acquisition. A compound item was formed for assets with

acquisition costs between € 150 and € 1 000 that is depreciated as scheduled over five financial years.

Accrued interest and rent were recognised at their nominal values.

The inventories are valued at cost prices including value added tax.

The other assets were valued at acquisition costs minus value adjustments.

The other assets not individually stated were valued at their nominal amounts.

Deferred tax assets

According to Section 274 Para. 1 HGB, there is the option to capitalise a relief resulting in total from the determination of the deferred tax assets and liabilities in the balance sheet. RheinLand Versicherungs AG is an income taxable controlled company of RheinLand Holding AG.

Deferred taxes result from different valuations of balance sheet items in the commercial and tax balance sheet. Since the income tax consequences result due to different accounting under commercial and tax law by the controlling company, these valuation differences existing between commercial and tax balance sheet as at 31 December 2014 will be taken into account at RheinLand Holding AG. Therefore, RheinLand Versicherungs AG did not recognise any deferred taxes as at 31 December 2014.

Excess of plan assets over pension liability

In order to hedge the provision for employer-funded pension entitlements, the company has taken out pension plan reinsurances for each employee. These insurances are pledged to the respective employee, and the other creditors do not have access to them. According to Section 246 Para. 2 HGB, the fair value is offset against the underlying obligations. Since the asset value of the pension plan reinsurance exceeds the underlying obligation, it is shown in the balance sheet as excess of plan assets over pension liability.

The fair value of the covered funds corresponds to the book value. The acquisition costs according to Section 255 Para. 1 HGB and/or the fair values according to Section 255 Para. 4 HGB of the offset assets amount to € 220 k in total. According to Section 253 Para. 1 Clause 2 HGB, the repayment amount of the offset debts is € 153 k. This results in a net asset position to the amount of € 68 k.

Equity and liabilities

Technical provisions

The unearned premiums of the direct insurance operations were generally determined according to the 1/360 system from the entered premiums. The shares of the reinsurers were calculated taking into account the corresponding reinsurance agreements in relation of reinsurance premium to gross premium. Unless details of the previous insurers were available, flat rates were applied to the assumed reinsurance business according to the average of the previous insurers' instructions. The premium elements that can be carried forward were determined on the basis of the BdF decree dated 30 April 1974. To determine the unearned premiums for the guarantee insurance and the payment protection insurance, a general cost deduction to the amount of the entire paid commissions was used, which fully takes the commissions accrued at the time of conclusion of the contract into account in accordance with the (no longer applicable) "Länder" decree dated 30 April 1974.

The provisions for life insurance in the assumed reinsurance life business were generally recognised in the balance sheet according to the instructions of the assignors. The premium cover provision for accident insurances were determined according to actuarial principles and according to the business plan.

The provisions for claims of the direct operations not yet settled were determined according to the provisions for individual claims for unsettled claims as at 31 December 2014.

A provision for outstanding insurance claims was formed for claims unknown at the balance sheet date. The calculation for each claims year was based on the average claims expenditures and the number of the subsequently notified claims to be expected on the basis of the experience of the past years.

The provision for pensions was actuarially calculated according to the business plan.

The provisions for expenses for the settlement of claims were formed after the coordinated "Länder" decree dated 2 February 1973.

The shares of the reinsurers were taken into account according to the individual reinsurance contracts. The provision for outstanding claims for the assumed reinsurance insurance business has been ended according to the instructions of the previous insurers available to us; estimates were made in case of non-presentation. The reinsurance shares were determined according to the contractual obligations. The equalisation fund was calculated according to Section 29 RechVersV [Regulation on the Accounting of Insurance Undertakings] and the corresponding attachment.

The provision for unused premiums from suspended motor insurances was determined according to individual contracts. The default ratios regarding the dunning proposal and the outstanding accounts were used to assess the provision for premium cancellation.

The remaining technical provisions correspond to our assignors' instructions according to the contractual agreements.

To keep currency risks as low as possible, the technical obligations in the main currencies were covered with funds in the same currency as far as possible. Amounts in foreign currencies were converted with the mean exchange rate at the balance sheet date.

Other liabilities

The deposits for insurance business and reinsurance payables, the liabilities arising out of direct insurance operations to policyholders and intermediaries and the remaining other liabilities were recognised at their repayment amount.

When calculating the provision for anniversaries, future developments as well as trends and fluctuation with salary dynamics of 2.0% p.a. were taken into account in addition to the current developments. The discounting was made with the average interest rate of the past seven years published by the Bundesbank according to the German Regulation on the Discounting of Provisions (RückAbzinsVO) to the amount of 4.58% with an assumed remaining term of 15 years according to Section 253 Para. 2 Clause 2 HGB.

All other provisions were valued to the amount of the expected need with their repayment amount. Provisions with a remaining term of more than one year were also discounted with the average market interest rate of the past seven financial years that corresponds to their remaining term.

Comparative Figures 2013

Due to the merger with RiMaXX International N.V., which is pointed out in the management report, the following comparative figures result:

Balance Sheet 31 December 2013

Assets	2013	2013	2013
	RheinLand Versicherungs AG	RiMaXX International N.V.	Total
	€	€	€
A. Intangible assets	5 401 421.44	0.00	5 401 421.44
B. Investments	259 327 395.74	126 379 587.37	385 706 983.11
C. Receivables	25 723 150.75	761 947.41	26 485 098.16
D. Other assets	14 469 574.82	1 761 126.43	16 230 701.25
E. Deferred items	2 045 285.29	7 956 181.99	10 001 467.28
F. Excess of plan assets over pension liability	75 170.05	0.00	75 170.05
Total assets	307 041 998.09	136 858 843.20	443 900 841.29

Equity and liabilities	2013	2013	2013
	RheinLand Versicherungs AG	RiMaXX International N.V.	Total
	€	€	€
A. Equity	49 243 368.20	30 621 460.32	79 864 828.52
B. Subordinated liabilities	0.00	0.00	0.00
C. Technical provisions			
I. Unearned premiums - net	50 693 733.60	21 109 657.91	71 803 391.51
II. Provision for life insurance - net	51 825 920.24	0.00	51 825 920.24
III. Provision for outstanding insurance claims - net	98 108 999.18	2 367 205.66	100 476 204.84
IV. Equalisation fund and similar provisions - net	23 638 546.00	0.00	23 638 546.00
V. Other technical provisions - net	698 609.01	- 2.78	698 606.23
D. Other provisions	5 772 195.00	127 019.75	5 899 214.75
E. Deposits retained	2 402 243.00	70 164 640.52	72 566 883.52
F. Other liabilities	24 658 383.86	10 489 605.54	35 147 989.40
G. Deferred items	0.00	1 979 256.28	1 979 256.28
Total liabilities	307 041 998.09	136 858 843.20	443 900 841.29

Profit and Loss Account from 1 January to 31 December 2013

I. Technical account	2013	2013	2013
	RheinLand Versicherungs AG	RiMaXX International N.V.	Total
	€	€	€
1. Net premiums earned	158 425 018.09	32 287 315.74	190 712 333.83
2. Net technical interest income	159 896.14	0.00	159 896.14
3. Other net technical income	76 596.45	0.00	76 596.45
4. Net costs for insurance claims	- 68 769 739.96	- 5 661 995.98	- 74 431 735.94
5. Change in the other net technical provisions	- 35 960 494.25	0.00	- 35 960 494.25
6. Net costs of insurance operations	- 66 728 448.54	- 6 523 370.74	- 73 251 819.28
7. Other net technical costs	- 538 077.57	0.00	- 538 077.57
8. Change in the equalisation fund and similar provisions	- 1 466 447.00	0.00	- 1 466 447.00
9. Net technical result	- 14 801 696.64	20 101 949.02	5 300 252.38

II. Non-technical account	2013	2013	2013
	RheinLand Versicherungs AG	RiMaXX International N.V.	Total
	€	€	€
1. Investment income	34 558 454.58	5 004 231.70	39 562 686.28
2. Investment costs	- 489 277.92	- 38 348.29	- 527 626.21
3. Technical interest income	- 159 896.14	0.00	- 159 896.14
4. Other income	33 131 936.19	1 169 578.22	34 301 514.41
5. Other costs	- 35 718 056.61	- 1 214 028.41	- 36 932 085.02
6. Result from ordinary business operations	16 521 463.46	25 023 382.24	41 544 845.70
7. Tax on income and profit	0.00	- 5 986 701.17	- 5 986 701.17
8. Other taxes	- 6 136.00	0.00	- 6 136.00
9. Profits transferred on the basis of a profit pool, a profit transfer agreement or a partial profit transfer agreement	-16 515 327.46	- 5 000 000.00	- 21 515 327.46
10. Net income for the year	0.00	14 036 681.07	14 036 681.07

Remark: Cost items are additionally marked with a minus symbol before the corresponding amount

Explanations on the Balance Sheet

The previous year's values refer to the details of RheinLand Versicherungs AG for the 2013 financial year. In view of the merger completed in 2014, we make reference to the information provided in the balance sheet and profit and loss account as well as the comparative figures from 2013 on pages 36 and 37.

Assets

Development of the assets A., B. I. and II. in the financial year 2014

Assets	Balance sheet values	Balance sheet values	Additions	Disposals
	Previous year	Previous year		
	RV	RM		
	K€	K€	K€	K€
A. Intangible assets				
Acquired concessions, industrial property rights and similar rights and values as well as licenses to such rights and values	5 401	-	1 995	-
B. I. Investments in affiliated companies and participating interests				
1. Shares in affiliated companies	1 394	-	37	-
2. Loans to affiliated companies	-	-	-	-
3. Participating interests	1 101	-	-	-
Total B.I.	2 495	-	37	-
II. Other investments				
1. Shares, investment shares and other non-fixed-income securities	12 121	-	242	858
2. Bearer bonds and other fixed-income securities	113 906	78 600	41 094	31 448
3. Claims arising from a mortgage, a land charge or an annuity charge	913	-	-	107
4. Other loans				
a) Registered bonds	25 000	10 000	2 007	2 002
b) Notes receivable and loans	80 099	31 500	26 775	24 029
c) Remaining loans	501	-	-	-
5. Deposits at banks	23 192	6 279	14 346	-
6. Other investments	21	-	-	-
Total B.II.	255 753	126 380	84 465	58 443
total	263 650	126 380	86 496	58 442

Assets	Transfers	Write-ups	Depreciations	Balance sheet values Financial year
	K€	K€	K€	K€
A. Intangible assets				
Acquired concessions, industrial property rights and similar rights and values as well as licenses to such rights and values	-	-	2 169	5 653
B. I. Investments in affiliated companies and participating interests				
1. Shares in affiliated companies	-	-	-	1 431
2. Loans to affiliated companies	-	-	-	-
3. Participating interests	-	-	-	1 101
Total B.I.	-	-	-	2 532
II. Other investments				
1. Shares, investment shares and other non-fixed-income securities	-	144	-	11 649
2. Bearer bonds and other fixed-income securities	-	-	-	202 152
3. Claims arising from a mortgage, a land charge or an annuity charge	-	-	-	805
4. Other loans				
a) Registered bonds	-	-	-	35 006
b) Notes receivable and loans	-	-	-	114 345
c) Remaining loans	-	-	-	501
5. Deposits at banks	-	-	-	43 818
6. Other investments	-	-	-	21
Total B.II.	-	144	-	408 298
total	-	144	2 169	416 056

The company made use of the possibility of Section 341 b Para. 2 Clause 1 HGB to allocate shares, investment shares and other non-fixed-income securities in the book value of € 11 648 765.14 as well as bearer bonds in the book value of € 202 152 411.68 to the assets. The fair values are € 11 922 425.33 and/or € 209 881 140.60. These investments are treated as fixed assets according to Section 253 Para. 3 HGB.

Information about the investments shown in the balance sheet at acquisition costs with hidden charges

Bearer bonds and other fixed-income securities:

The book value of the investments with regard to which depreciations were avoided amounts to € 14 068 913.31 as at 31 December 2014, the fair value amounts to € 13 892 503.33.

The company does not assume permanent depreciation in value and has therefore not performed any depreciations according to Section 285 No. 18 b HGB.

Fair values of the assets B. I. to II. in the 2014 financial year

Assets	Balance sheet values	Hidden charges	Hidden reserves	Fair values
	Financial year			Financial year
	K€	K€	K€	K€
B. I. Investments in affiliated companies and participating interests				
1. Shares in affiliated companies	1 431	-	-	1 431
2. Loans to affiliated companies	-	-	-	-
3. Participating interests	1 101	-	-	1 101
	-			
Total B.I.	2 532	-	-	2 532
B. II. Other investments				
1. Shares, investment shares and other non-fixed-income securities	11 649	-	274	11 923
2. Bearer bonds and other fixed-income securities	202 152	176	7 905	209 881
3. Claims arising from a mortgage, a land charge or an annuity charge	805	-	38	843
4. Other loans				
a) Registered bonds	35 006	-	2 003	37 010
b) Notes receivable and loans	114 345	-	5 187	119 532
c) Remaining loans	501	-	12	513
5. Deposits at banks	43 818	-	-	43 818
6. Other investments	21	-	-	21
Total B.II.	408 298	176	15 420	423 541
total	410 830	176	15 420	426 072

Details regarding the fair value determination of all investments

Investments in affiliated companies and participating interests:

For the fair values of the shares in affiliated companies and participating interests, the nominal value of the capital and/or the acquisition costs are taken as a basis.

Shares, investment shares and other non-fixed-income securities:

The fair values are determined by means of the market prices and/or the redemption prices at the balance sheet date. The fair value of the RheinLand ABS Fund is determined indicatively by the financial investment management company.

Bearer bonds and other fixed-income securities:

The fair values of the bearer bonds and other fixed-income securities are determined by means of the exchange rates at the balance sheet date.

The fair values of the ABS securities in the direct portfolio are determined indicatively by the financial investment management company.

Claims arising from a mortgage, a land charge or an annuity charge:

The fair value is calculated by means of risk-adjusted yield curves for individual securities that were adjusted for 2013 according to the spread development.

Other loans:

The fair value of the other loans is calculated by means of risk-adjusted yield curves for individual securities that were adjusted for 2014 according to the spread development.

Deposits at banks:

The fair value of deposits at banks is calculated on the basis of the nominal value, as deposits at banks are overnight money and/or fixed-term deposits with a very short remaining maturity that may be terminated on a daily basis.

Other investments:

The fair values are determined on the basis of the acquisition costs.

The determination of the fair values is based on risk surcharges that are characterised by the current capital market situation.

Information concerning the investment fund assets according to Section 285 No. 26 HGB.

	Book value 31/12/2014	Fair value 31/12/2014	Valuation reserve	Distribution 2014
	€	€	€	€
AIF special fund				
ABS I	9 912 605	9 912 605	-	177 036
ABS II (dissolved 2014)	-	-	-	-
total	9 912 605	9 912 605	-	177 036

The investment goal is always to generate long-term stable income.

Shares in affiliated companies and participating interests

RheinLand Versicherungs AG has a 100% share in Rheinland Groep Nederland B.V., Amsterdam.

List of the share property as at 31 December 2014 according to Section 285 No. 11 HGB

	Interest in the share capital	Result of the last financial year 31/12/2014	Equity of the re- spective company 31/12/2014
	%	€	€
Domestic			
RheinLand FinanzService GmbH, Neuss	25 direct	578	- 1 298 801
Credit Life International Services GmbH, Neuss	100 direct	- 4,962	20 689
RheinLand Betriebsrestaurant GmbH, Neuss	100 direct	- 1,018	23 982
Foreign			
Rheinland Groep B.V., Amsterdam	100 direct	9 640 771	9 889 297

The protective clause according to Section 286 Para. 3 Clause 1 No. 2 HGB was made use of.

Deposits retained

	2014	2013
from	€	€
affiliated companies	-	176 872
non-affiliated companies	874 636	902 022
total	874 636	1 078 894

Other receivables

	2014	2013
	€	€
Receivables from affiliated companies	8 747 077	4 106 739
Tax receivables	-	-
Interest receivables due	47 950	2 508
other	2 721 124	1 314 159
total	11 516 152	5 423 406

Fixed assets and inventories

	2014	2013
	€	€
Operating and business equipment	5 874 360	5 319 272
Inventories	57 374	61 975
total	5 931 734	5 381 247

For insolvency hedging of the semi-retirement obligations, investment funds to the amount of € 850 429,10 were assigned to the employees.

Equity and liabilities

Subscribed capital

RheinLand Versicherungs AG increased its share capital to carry out the mergers. This increase was made by the issue of 97 660 new registered shares to the amount of € 5 000 192.00 without additional payment. The share capital as at 31 December 2014 amounts to € 39 304 192.00 and is divided into 767 660 no-par shares. RheinLand Holding Aktiengesellschaft, Neuss, holds 100% of our company's share capital.

Technical gross provisions

	total		for outstanding insurance claims	
	2014	2013	2014	2013
	€	€	€	€
General accident	13 177 304	12 907 919	11 779 360	9 299 239
Motor accident	2 445	12 685	-	10 000
Accident total	13 179 749	12 920 604	11 779 360	9 309 239
Third party liability	14 662 179	16 341 083	11 721 543	12 664 003
Insurance against civil liability arising from the use of motor vehicles	86 568 488	90 120 737	71 288 934	75 499 071
other motor	6 387 564	5 255 592	4 686 731	4 485 208
Motor total	92 956 052	95 376 329	75 975 665	79 984 279
Fire	1 396 208	2 103 359	683 623	1 511 843
Householders' comprehensive	5 709 501	5 457 694	1 720 586	1 275 313
Homeowner's comprehensive	11 331 827	10 551 695	5 948 576	5 582 681
other property	4 117 482	3 383 063	1 321 294	1 637 945
Fire and property total	22 555 018	21 495 811	9 674 079	10 007 782
Transport/aviation	455 664	467 256	71 778	89 478
other	122 273 906	16 894 367	26 702 048	653 185
direct operations total	266 082 568	163 495 449	135 924 473	112 707 965
assumed reinsurance business	174 630 607	105 940 011	47 892 639	26 309 273
total	440 713 175	269 435 459	183 817 112	139 017 238

Equalisation fund and similar provisions

	2014	2013
	€	€
Accident	451 228	2 667 616
Third party liability	724 484	1 448 966
Insurance against civil liability arising from the use of motor vehicles	13 946 106	13 369 921
other motor	855 479	29 961
Motor total	14 801 585	13 399 882
Fire	364 393	248 392
Householders' comprehensive	2 306 494	2 481 738
Homeowner's comprehensive	1 863 499	1 608 410
other property	2 149 073	1 107 844
Fire and property total	6 683 459	5 446 384
Transport/aviation	365 830	359 718
other	412 567	315 980
direct operations total	23 439 153	23 638 546
assumed reinsurance business	-	-
total	23 439 153	23 638 546

Other provisions

- other provisions -

	2014	2013
	€	€
Personnel area	10 041 981	4 462 060
Commissions and payments similar to commission	323 150	418 728
other provisions	1 448 605	891 407
total	11 813 736	5 772 195

Reinsurance receivables/liabilities

	Receivables		Liabilities	
	2014	2013	2014	2013
from/to	€	€	€	€
affiliated companies	-	2 347 898	-	-
non-affiliated companies	11 755 842	9 862 730	7 951 270	8 193 575
total	11 755 842	12 210 628	7 951 270	8 193 575

Other liabilities

	2014	2013
	€	€
from/to non-affiliated companies	-	723 164
non-cashed cheques	1 258 712	1 202 685
Taxes still to be paid	2 993 825	3 475 313
Deliveries and services	461 215	383 435
other	2 407 578	1 553 373
total	7 121 330	7 337 969

The other liabilities concern in full amount obligations with a residual term of less than one year.

Explanatory Notes on Profit and Loss Account

Gross premiums entered

	2014	2013
	€	€
General accident	9 121 117	9 103 391
Motor accident	75 808	81 758
Accident total	9 196 925	9 185 149
Third party liability	12 831 585	12 576 997
Insurance against civil liability arising from the use of motor vehicles	35 410 277	34 146 851
other motor	25 804 001	24 355 587
Motor total	61 214 277	58 502 438
Fire	2 295 432	2 313 393
Householders' comprehensive	8 468 122	8 517 973
Homeowner's comprehensive	19 090 662	20 946 958
other property	5 041 275	4 967 982
Fire and property total	34 895 491	36 746 306
Transport/aviation	122 613	113 235
other	100 355 334	36 490 442
direct operations total	218 616 225	153 614 566
assumed reinsurance business	95 374 097	78 150 816
total	313 990 322	231 765 382

Earned premiums

	Gross		Net	
	2014	2013	2014	2013
	€	€	€	€
General accident	9 116 218	9 123 506	8 616 596	8 779 907
Motor accident	76 120	82 137	59 309	64 200
Accident total	9 192 338	9 205 643	8 675 904	8 844 107
Third party liability	12 850 606	12 500 925	12 696 067	12 347 645
Insurance against civil liability arising from the use of motor vehicles	35 336 157	34 059 982	26 670 693	25 746 045
other motor	25 706 044	24 250 103	20 103 109	18 967 045
Motor total	61 042 200	58 310 085	46 773 803	44 713 090
Fire	2 291 377	2 307 502	736 092	686 907
Householders' comprehensive	8 488 567	8 529 693	8 416 156	8 458 548
Homeowner's comprehensive	18 884 128	18 303 025	5 441 523	5 928 385
other property	5 032 083	4 935 611	4 153 779	4 136 259
Fire and property total	34 696 155	34 075 831	18 747 551	19 210 099
Transport/aviation	122 753	113 612	122 753	113 612
other	110 782 687	24 318 416	54 856 029	22 504 748
direct operations total	228 686 740	138 524 511	141 872 107	107 733 301
assumed reinsurance business	79 186 249	61 185 272	59 932 517	50 691 718
total	307 872 989	199 709 783	201 804 624	158 425 018

Gross costs

	for claims		for insurance operations	
	2014	2013	2014	2013
	€	€	€	€
General accident	6 416 912	2 699 324	4 609 666	4 769 338
Motor accident	11 066	10 000	21 009	34 109
Accident total	6 427 978	2 709 324	4 630 675	4 803 447
Third party liability	3 824 102	4 085 807	5 762 512	5 280 396
Insurance against civil liability arising from the use of motor vehicles	24 391 964	25 845 000	6 112 954	5 721 745
other motor	22 629 617	22 943 995	5 306 944	5 364 857
Motor total	47 021 580	48 788 994	11 419 899	11 086 602
Fire	599 827	1 865 528	1 198 127	1 236 393
Householders' comprehensive	4 768 222	3 727 503	4 116 740	4 045 260
Homeowner's comprehensive	14 743 446	12 034 901	7 533 450	8 337 637
other property	3 078 652	4 443 149	2 497 056	2 365 257
Fire and property total	23 190 148	22 071 081	15 345 373	15 984 547
Transport/aviation	5 762	78 868	61 662	63 579
other	16 209 213	2 294 077	69 519 958	24 909 270
direct operations total	96 678 784	80 028 151	106 740 079	62 127 840
assumed reinsurance business	44 055 726	14 328 610	17 506 094	14 155 787
total	140 734 510	94 356 762	124 246 173	76 283 627

From the gross costs, the following is attributed to insurance operations

	2014	2013
	€	€
Acquisition costs	60 016 898	33 428 041
Administration costs	64 229 276	42 855 587
total	124 246 173	76 283 627

Technical results

	Balance reinsurance		for own account	
	2014	2013	2014	2013
	€	€	€	€
General accident	35 651	10 347	336 825	231 414
Motor accident	8 638	9 392	35 444	28 457
Accident total	44 290	19 740	372 269	259 871
Third party liability	205 763	201 625	3 784 648	3 678 366
Insurance against civil liability arising from the use of motor vehicles	2 202 206	2 311 802	2 079 937	246 916
other motor	- 53 873	- 838 271	- 2 982 159	- 3 260 262
Motor total	2 148 333	1 473 532	- 902 222	- 3 013 346
Fire			- 162 164	- 639 424
Householders' comprehensive			- 521 190	477 268
Homeowner's comprehensive			- 4 149 299	- 5 515 740
other property			- 1 978 080	- 2 130 124
Fire and property total	1 383 047	2 341 865	- 6 810 734	- 7 808 020
Transport/aviation	-	-	49 332	291 080
other	11 874 371	304 077	13 100 685	- 3 198 999
direct operations total	15 655 803	4 340 838	9 593 979	- 9 791 048
assumed reinsurance business	- 8 098 379	1 801 727	- 5 222 290	- 5 010 648
total	7 557 424	6 142 564	4 371 689	- 14 801 697

Commissions and other remunerations of the intermediaries, personnel costs

	2014	2013
	K€	K€
1. Commissions of all kinds for intermediaries in terms of Section 92 HGB for direct insurance operations	72 702	36 094
2. Other remunerations for intermediaries in terms of Section 92 HGB	5 267	4 885
3. Wages and salaries	48 846	38 293
4. Social contributions and costs for support	7 785	6 324
5. Costs for old-age pension	592	1 388
Costs total	135 191	86 984

Details according to Section 277 Para. 5 HGB

The interest costs include costs arising from the addition of accrued interest to the anniversary provision to the amount of € 83 k as at 31 December 2014. Exchange rate gains to the amount of € 150 k were recognised under other income. They are offset by exchange rate losses under the other costs to the amount of € 152 k.

Number of the at least one-year insurance contracts of the direct insurance business

	2014	2013
	Number	Number
General accident	57 320	60 393
Motor accident	1 629	1 750
Accident total	58 949	62 143
Third party liability	94 285	95 665
Insurance against civil liability arising from the use of motor vehicles	132 985	133 007
other motor	106 589	105 009
Motor total	239 574	238 016
Fire	3 906	9 546
Householders' comprehensive	62 625	65 123
Homeowner's comprehensive	40 748	42 530
other property	13 035	9 630
Fire and property total	120 314	126 829
Transport/aviation	260	547
other	9 265	8 410
total	522 647	531 610

Other Information

Staff

At the end of the financial year, RheinLand Versicherungs AG employed 797 persons in its office and 69 employees in the field (a total of 866 employees; previous year: 731 employees). The significant increase is attributed to the closure of the Venlo site and the assumption of employees in connection with the merger.

The included number of employees was 44 persons (previous year: 45 persons).

With regard to the personnel costs for the financial year, reference is made to the details on commissions and other remunerations of the intermediaries and personnel costs on page 44.

The Executive Board and Supervisory Board members are listed by name on page 3. No further remunerations were paid for work at affiliated companies.

€ 361 032 were paid to former Executive Board members and/or their surviving dependants. The remuneration for the Supervisory Board was paid by RheinLand Holding AG. The company has not incurred any direct costs for the Supervisory Board.

There are provisions to the amount of € 5 076 820 for current pensions and pension entitlements that are included in the balance sheet of RheinLand Holding AG.

Contingent liabilities

The following declaration is issued in accordance with the existing regulations:

“The company neither owns own shares nor has it purchased such shares. Warranty agreements: Due to our membership in the association “Verkehrshilfepferhilfe e.V.”, we are obliged to provide the same with funds required to achieve the purpose of the association according to our share in the premium income the member companies gained from the direct insurance against civil liability in respect of the use of motor vehicles business respectively in the second last calendar year. The funds to be raised yearly are limited to 0.5% of this premium income.

A subordination statement was issued to a subsidiary for current and future receivables; furthermore, the company undertook to compensate any potential losses.

Neuss, 23 April 2015

The Executive Board

The pension and early retirement obligations were transferred to RheinLand Holding AG in 1993, and the semi-retirement obligations were transferred to RheinLand Holding AG in 1997. RheinLand Versicherungs AG is liable jointly and severally with RheinLand Holding AG for the fulfilment of the benefit obligations. At the balance sheet date, there were obligations to the amount of € 19.9 million. For insolvency hedging of the semi-retirement obligations, investment funds to the amount of € 0.9 million were assigned to the employees.”

Further Information

The details on the group companies and on the outsourced functions and joint facilities are presented in the management report under the item Relationships to Affiliated Companies on page 20 et seq.

The details on the total remuneration of the auditor according to Section 285 No. 17 HGB are provided with exempting effect in the consolidated financial statements of Rheinland Holding AG, Neuss.

RheinLand Versicherungs AG is included in the consolidated financial statements of RheinLand Holding AG, Neuss, which is published in the electronic Federal Gazette.

Christoph Buchbender

Dr. Lothar Horbach

Udo Klanten

Andreas Schwarz

Auditor's Report

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system and the management report of RheinLand Versicherungs Aktiengesellschaft, Neuss, for the financial year from 1 January to 31 December 2014. The maintenance of the books and records and the preparation of the annual financial statements and the management report in accordance with German commercial law and supplementary provisions of the articles of association are the responsibility of the company's Executive Board. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with Section 317 HGB [German Commercial Code] and the German generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with the [German] principles of proper accounting and in the management report are identified with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the company and expectations as to possible misstatements are taken into account in the determination of the audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the Executive Board as well as evaluating the overall presentation of the financial statements and the management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and supplementary provisions of the articles of association and give a true and fair view of the net assets, financial position and results of operations of the company in accordance with the German principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the company's position and suitably presents the opportunities and risks of future development.

Cologne, 8 May 2015

KPMG AG
Wirtschaftsprüfungsgesellschaft

Dr. Dahl
Auditor

Theißen
Auditor

Further Information on the Management Report

List of Types of Insurances Managed

Life insurance*

General accident insurance

- Individual full coverage accident insurance
- Individual partial coverage accident insurance
- Group accident insurance
- Aviation accident insurance
- other and not subdivided accident insurance

General third party liability insurance

- Private third party liability insurance
- Company and professional liability insurance
- Environmental liability insurance
- other and not subdivided general third party liability insurance

Motor insurance

- Insurance against civil liability in respect of the use of motor vehicles
- Comprehensive insurance
- Partially comprehensive insurance
- Motor accident insurance

Aviation insurance

- Aviation comprehensive insurance
- Spacecraft comprehensive insurance

Fire insurance

- Fire industry insurance
- Agricultural fire insurance
- Other fire insurances

Burglary insurance

Water damage insurance

Glass insurance

Windstorm insurance

Householder's comprehensive insurance

Homeowner's comprehensive insurance

Technical insurances

Omnium insurance

- Clothing protection omnium insurance
- other and not subdivided omnium insurance

Transport insurance

- Comprehensive insurance
- Cargo insurance
- Specie insurance (commercial)

Credit insurance

Insurance of additional hazards regarding the fire and/or fire-business interruption insurance extended coverage (EC) insurance

Business interruption insurance

- Fire-business interruption insurance

Travel assistance insurance

- Roadside recovery insurance

Aviation and space liability insurance

- Aviation liability insurance

Other non-life insurance

- Exhibition insurance
- Cloakroom insurance
- Hunting and sporting weapon insurance
- Musical instrument insurance
- Camera insurance
- Chilled cargo insurance
- Insurance of merchandise in deep-freezing systems
- Vending machine insurance
- Luggage insurance
- Specie insurance
- Travel cancellation expenses insurance
- Eyeglass insurance
- Rent insurance
- Tank and barrel leakage insurance
- Film theatre omnium insurance
- Unemployment additional insurance
- Guarantee insurance of motor vehicles

* only assumed reinsurance insurance segments

List of Companies

RheinLand Versicherungs AG

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RheinLandplatz
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Phone +49((0) 2131) 2 90-0
Fax +49(0) 2131) 2 90-1 33 00

RheinLand Lebensversicherung AG

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Credit Life AG

Head office
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Rhion Versicherung AG

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RheinLand Versicherungs AG

Supervisory Board

Anton Werhahn,
commercial agent, speaker of the Executive Board of Wilh. Werhahn KG, Neuss
Chairman (from 4 July 2014)
Deputy Chairman (until 3 July 2014)

Wilhelm Ferdinand Thywissen,
commercial agent, fully authorised representative of C. Thywissen GmbH, Neuss
Deputy Chairman (from 4 July 2014)

Dr. rer. pol. h.c. Klaus G. Adam,
auditor, Mainz
Chairman (until 3 July 2014)

Dr. Ludwig Baum,
commercial agent, managing director of Effektenverwaltung Cornel Werhahn GbR,
Munich

Ludwig Neumann,
office management assistant, Works Council of RheinLand Versicherungs AG, Kreuzau
elected by the employees (until 3 July 2014)

Andreas Daners,
insurance business management assistant, Works Council of RheinLand Ver-
sicherungs AG, Jüchen
elected by the employees (from 04 July 2014)

Jürgen Stark,
business data processing specialist, Works Council of RheinLand Versicherungs AG,
Brühl
elected by the employees

Executive Board

Christoph Buchbender,
Neuss

Dr. Lothar Horbach,
Cologne (from 1 September 2014)

Udo Klanten,
Bergisch Gladbach

Andreas Schwarz,
Neuss

Jutta Stöcker,
Bornheim (until 14 January 2015)

Legal Notice

Publisher

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Conception and realisation

h1 communication gmbh & co. kg
Am Zollhafen 5 ■ 41460 Neuss
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Print

Das Druckhaus Beineke Dickmanns GmbH
Im Hasseldamm 6 ■ 41352 Korschenbroich
www.das-druckhaus.de

Photographs/picture credits

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the 1990s, the number of people in the UK who are aged 65 and over has increased from 10.5 million to 13.5 million, and the number of people aged 75 and over has increased from 4.5 million to 6.5 million (Office for National Statistics 2000).

There is a growing awareness of the need to address the needs of older people, and the need to ensure that the health care system is able to meet the needs of older people. The Department of Health (2000) has set out a strategy for the health care system, which includes a commitment to improve the health care system for older people. The strategy includes a commitment to improve the health care system for older people, and to ensure that the health care system is able to meet the needs of older people.

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Druck | ID: 53124-1506-1002

