

# Annual Report 2014

Credit Life AG



## Credit Life AG at a glance

|  |           | 2014      |
|--|-----------|-----------|
| Portfolio in terms of the total insured amount | € million | 15 414.4  |
| Insurance policies                             | Total     | 1 569 661 |
| Total gross premiums                           | € million | 70.8      |
| Benefits paid                                  | € million | 19.5      |
| Investments                                    | € million | 221.1     |
| Investment income                              | € million | 8.4       |
| Net interest                                   | %         | 3.2       |
| Floating interest - net                        | %         | 3.7       |
| Administrative costs ratio                     | %         | 8.3       |
| Acquisition expenses ratio                     | %         | 11.2      |
| Cancellation rate                              | %         | 4.1       |

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Credit Life AG

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# Supervisory Board and Executive Board

## Supervisory Board

### **Wilhelm Ferdinand Thywissen**

Commercial agent, fully authorised representative of C. Thywissen GmbH, Neuss  
Chairman

### **Dr. Ludwig Baum,**

Commercial agent, managing director of Effektenverwaltung Cornel Werhahn GbR,  
Munich  
Deputy Chairman

### **Jutta Stöcker**

Graduate of Business Administration,  
Bornheim

## Executive Board

### **Christoph Buchbender**

Neuss

### **Dr. Lothar Horbach**

Cologne (from 1 September 2014)

### **Udo Klanten**

Bergisch Gladbach

### **Andreas Schwarz**

Neuss

# Report of the Supervisory Board

The Supervisory Board obtained thorough information on the situation and development of the company, the course of business and the basic issues of the business policy in four meetings on the basis of written and oral reports of the Executive Board in 2014. In doing so, the company's strategic orientation, the action planning for 2015 as well as all essential business results and projects were discussed with the Executive Board. Transactions subject to consent according to law and articles of association were discussed in detail with the Executive Board.

The sales orientation of the company and the updating of the product range were intensely discussed with the Executive Board with regard to the reorientation of a major customer. Furthermore, the reorganisation of the payment protection business after the cross-border merger of the Dutch risk carrier Credit Life International N.V. with our company was discussed in detail. The Executive Board informed the Supervisory Board about the achievement of the planned targets for the current financial year and about the medium-term planning. The discussions also focused on the securing of the risk-bearing capacity, the securing of sufficient liquidity and the impact of a low interest scenario on the risk-bearing capacity of the company. In addition, the Supervisory Board obtained reports on the status of the preparatory works for the introduction of Solvency II.

The Supervisory Board assured itself of the use of the existing risk management system and paid special attention to this control and monitoring system. The Executive Board regularly informed the Supervisory Board in writing every quarter about the company's risk situation. The risk reporting was discussed in two meetings of the Supervisory Board. The audit results of the Internal Audit were discussed. The Executive Board reported to the Supervisory Board on compliance-relevant topics and informed it about the structure and extension of the compliance organisation and processes.

The Chairman of the Supervisory Board discussed matters of the business strategy, the strategic targets and the organisation as well as individual events in individual conversations also outside the meetings of the Supervisory Board.

Our company does not pay separate remuneration to the Executive Board members, because this is governed by our parent company, RheinLand Holding AG.

The Supervisory Board carried out a self-evaluation of its activities and checked its efficiency.

The financial statements of 2014 and the management report were audited by the appointed auditor, KPMG AG, Wirtschaftsprüfungsgesellschaft, Cologne according to the statutory provisions and provided with the unqualified auditor's report. The auditor was present while the financial statements and the management report were discussed. It reported on the performance of the audit and was available for additional information.

The Supervisory Board checked the financial statements and the management report. Following the completion of its examination, they had no objections and consented to the Financial Statements

and the Management Report for the financial year 2014 of Credit Life AG. The submitted financial statements of 2014 are thus approved. The Supervisory Board agrees with the proposal of the Executive Board regarding the appropriation of the retained profits.

The report prepared by the Executive Board concerning the relationships to affiliated companies and the corresponding auditor's report were available and were examined. The auditor issued the following audit certificate for the Executive Board's report concerning the relationships to affiliated companies:

"After having duly audited and evaluated the documents, we confirm that

1. the information provided in the report is correct,
2. the consideration paid by the company for any transaction listed in the report was not unreasonably high."

The Supervisory Board agrees with this evaluation. Following the completion of its examination, the Supervisory Board has no objections against the declarations made by the Executive Board at the end of the report concerning the relationships to affiliated companies.

The certifying actuary provided a report on his work at the meeting of the Supervisory Board to approve the annual financial statements, and was available to the Supervisory Board for information.

In its meeting dated 7 March 2014, the Supervisory Board appointed Dr. Lothar Horbach on the Executive Board with effect from 1 September 2014. He is now responsible for accounting, risk management, human resources, law and compliance as well as settlement of claims.

The Supervisory Board thanks the Executive Board and all employees of the Group for their dedication and level of commitment in the reporting year.

Neuss, 11 May 2015

The Supervisory Board

Wilhelm Ferdinand Thywissen,  
Chairman

# Management Report

## Economic Report

### Business Performance

Supported by unusually mild weather, the German economy started the year 2014 with enthusiasm. 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. On the contrary: International crises, including the conflicts in the Arab world and the Russia-Ukraine conflict and the trade sanctions which have been introduced have had a negative impact on the business environment. Above all else, however, 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, but prevented the real gross domestic product from being disappointing in terms of initial expectations, recording a 1.5 % plus.

The growth in premiums in the area of life insurance is the exclusive result of a further increase in one-off premiums, which increased by 12.9 % to € 29 billion. The sector association primarily justified this with case-by-case payments into annuity insurances by the generation of those aged 40 to 50 years. Regular premiums fell slightly, in contrast, by 0.8 % to € 64.4 million.

The renaming of the ONTOS Lebensversicherung AG in Credit Life AG within the scope of the restructuring of the RheinLand Insurance Group in the previous year and the expansion of its business area as risk insurer to the sale of payment protection insurance was followed by the further development of the RheinLand Group in 2014. During the financial year, Credit Life International N.V. was merged with Credit Life AG with retroactive effect as of 1 January 2014.

Credit Life AG achieved gross premiums entered to the amount of € 70.8 million in the financial year. € 41.0 million of this sum were represented by single premiums and € 29.8 million by regular premiums. Due to the gaining of two new cooperation partnerships, an increase in the regular premiums by 7.6 percent was recorded. The net premiums earned amounted to € 41.8 million in the financial year (previous year: € 33.9 million).

Of the gross surplus subsequent to the direct credit in total of € 16.2 million, it was possible for 6.79 % = € 1.1 billion (previous year, 6.8 % = € 1.7 billion) to be allocated to the provision for premium refunds.

The profit and loss statement closed the financial year with a net income for the year in the amount of € 3.0 million.

In detail, our reporting is as follows:

### Portfolio development:

The total of insurances added accounted for 167,572 contracts with an insurance sum of € 4,543.8 million in the reporting year. The merged insurance portfolio decreased by 21.4% to 1,569,661, measured by the number of contracts.

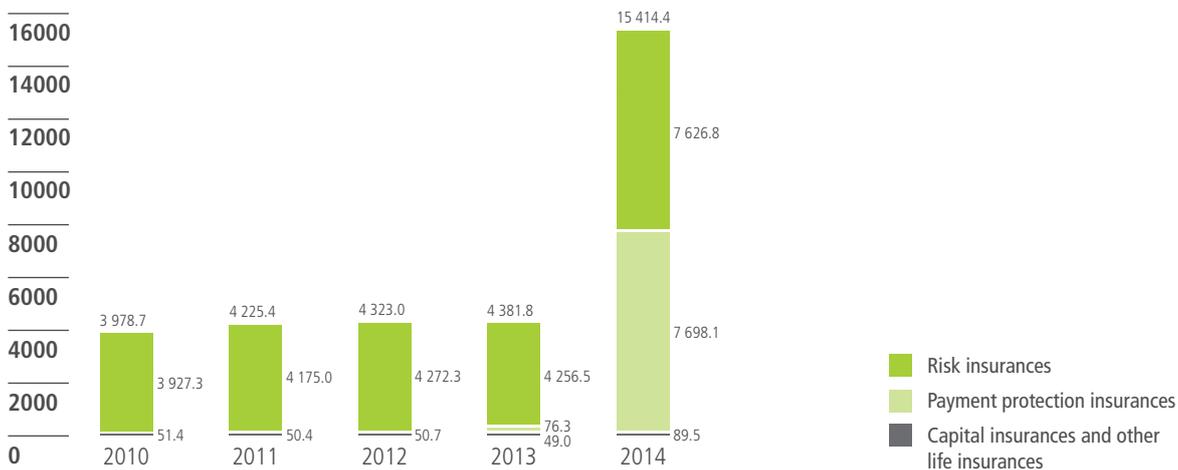
The portfolio of direct life insurance policies as at 31 December 2014 includes 1,493,812 of payment protection insurance contracts with an insured amount of € 7 698.1 million.

In total, 594,547 contracts were cancelled due to death, expiry and premature termination with an insured amount of € 4,503.6 million. Compared with the regular premium, the cancellation rate in the financial year was 4.1%.

It proved possible for the regular premium to be increased from € 28.5 million to € 33.5 million in the financial year.

The movement in the direct insurance portfolio is represented in the Appendix to the Management Report enclosed on page 74 et seqq. of this report. On page 81, you can find an overview of the insurances operated according to the business plan.

Portfolio development according to the insured amount in € million (direct operations)



### Profit share

For the financial year of 2014, the policyholders' profit share was fixed at 3.5% and declined to 3.0% for the financial year of 2015. For the group of stocks for the NL branch, interest is paid on the accumulated credit at 2.8% (previous year 3.3%).

### **Premium income**

Without taking into account premiums resulting from the provision for premium refunds, premium income arising out of direct insurance operations amounting to € 70.8 million was generated, compared to € 100.0 million in the previous year. This corresponds to a decrease of 29.2%.

An amount of € 41.6 million of the premium income is attributable to payment protection insurance policies.

### **Benefits paid**

The actual payments made to the policyholders and the increase in performance obligations for which the company accounts towards the policyholders constitute the benefits provided by a life insurance company.

Overall, the benefits paid in the financial year amounted to € 56.1 million, of which € 36.7 million were already recognised. Overall, the benefits paid amounted to € 19.5 million.

### **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. The Euro increased in value against the Dollar and hit a value of almost 1.40 Dollars in May 2014, which was its highest level since the autumn of 2011. This was not least due to the signals from the US Federal Reserve, which had indicated that a rapid increase in the base rate of interest in the USA would be unlikely. This trend was then reversed when Mario Draghi, President of the European Central Bank, announced a further loosening of monetary policy in the spring. 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%. With the announcement of his intention to expand the balance sheet total of the ECB with purchases of Asset Backed Securities by one billion to three billion Euros, Mario Draghi signalled that this extreme policy of expansion will be maintained over the long term. This was taken to mean that the ECB had yielded to the demands of both France and Italy in particular to reduce the external value of the Euro. Subsequent to an increasingly evident change of course in monetary policy in the USA and Great Britain from the summer of 2014 onwards, the fall in value of the Euro gained momentum. The political tensions in Ukraine exerted similar downwards pressure on its value. As the year drew to a close, the Euro was nearing the threshold value of 1.20 Dollars.

The returns at 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 of the ten-year bonds of the other eurozone member states, i.e. excluding Germany, continued to fall quickly. Measured against the current yields for German bonds, over the course of the reporting year, the bond yield fell on a continuous basis by almost one % point to reach just 0.6% in December. This current yield has been below the maximum technical rate of interest which is of relevance to new business since the autumn of 2011. Since the proportion of higher and high yield securities in the life insurers' portfolios is continuously falling and requires increasing refinancing by increasing numbers of deep-discounted bonds, it is clear that the return on investment has fallen more quickly than the average guaranteed interest rate of just under 3.1% (2013: a solid 3.1%) in the reporting year, even though it should have been just above it.

## Investments

The asset investments decreased by € 33.3 million to € 221.1 million. This decrease represents 13.1% after an increase of 5.2% in the previous year.

At 91.7%, the majority of the asset investments is invested in fixed-income investments.

As regards the RheinLand-ABS Fund I, in which the company holds a share of 6.1%, at the end of the year, its market value increased by € 0.1 million to total € 3.4 million. On 31 October 2014, on the basis of the risk-commensurate division of the ABS title, the ABS Fund II was liquidated at market value in the direct holdings of the participating companies.

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 78 et seq.

### Composition of the investments in %



## Development of the result

Investment income amounting to € 7.7 million was generated following € 9 million in the previous year. Based on the low interest rate level, termination gains for fixed interest bonds amounting to € 0.7 million were recorded. In the previous year, the investment income encompassed income resulting from the termination of investments amounting to € 1.2 million. In addition to this, depreciations were implemented on the basis of the modified lower of cost or market value principle in total of € 0.3 million.

At € 7.2 million, the current operating result was slightly lower than in the previous year. Overall, this results in a net investment result of € 7.6 million (previous year € 10 million).

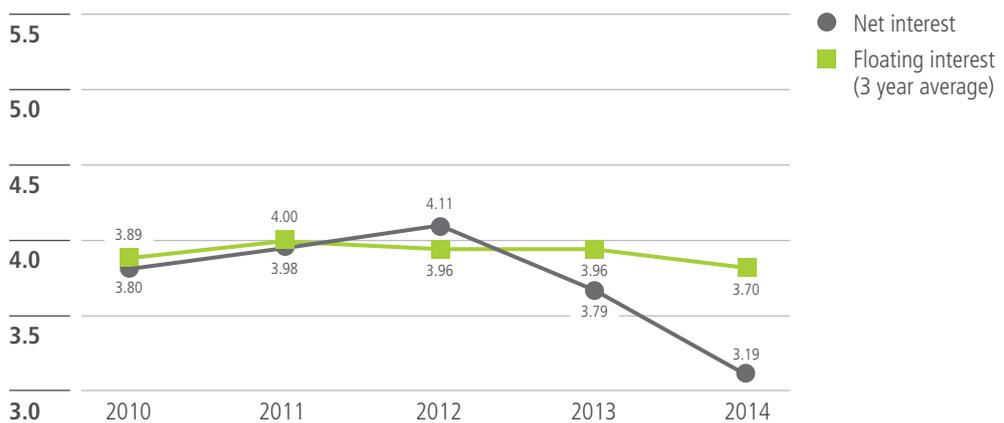
### Payment of interest

According to the formula recommended by the "Gesamtverband der Deutschen Versicherungswirtschaft e.V." [German Insurance Association], Berlin, the net interest is calculated based on the net investment result in proportion to the average investment portfolio taking into account extraordinary income and expenses. The resulting interest rate is 3.2% (previous year: 3.8%).

Floating interest of the investments of the last three years (arithmetic mean of the net interest) achieved 3.7% (previous year: 4.0%).

The average interest rate of the new investments for fixed-income securities, registered bonds and notes receivables was 1.6% in the financial year (3.1% in the previous year).

Net interest and floating interest of the investments in %



### Costs

In the reporting year, acquisition costs amounting to € 20.9 million were spent. In relation to the premium amount of the new business, these costs accounted for 11.2%. The level of the acquisition cost ratio results from the merger as well as the new area of business of payment protection insurance.

In the reporting year, the administrative costs amounted to € 5.9 million. In relation to the premiums entered, these costs accounted for 8.3% in the financial year.

## Relevant sources of profit

Life insurers carefully calculate the price for the insurance coverage. This is required in order to be able to meet the contractually agreed services at any time.

The profit which results from this careful calculation, efficient administration and a balanced savings investment in the capital market essentially accounts for the net income for the year of a life insurance company. This results in the policyholders' profit share.

Taking into account the direct credit, the gross profit amounted to € 16.2 million in the financial year compared to € 25.0 million in the previous year (of which, in the previous year, Credit Life AG in total of € 14.2 million and Credit Life N.V. in total of 10.8 million €).

The profit and loss statement closed the financial year with a net income for the year in the amount of € 3.0 million.

An overview of the policyholders' profit share can be found on page 53 et seqq.

## 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 case 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 7 May 2014, the Bundesgerichtshof (BGH) [German Federal Court of Justice] considered the issues which arise for life insurance from the ruling of the European Court of Justice (ECJ) dating from 19 December 2013 on the illegality of the European law concerning the cut-off period of the so-called policies model (Section 5a Para. 2 Clause 4 of the *Versicherungsvertragsgesetz* [German Insurance Contract Law] in its old version. The Bundesgerichtshof (BGH) ruled that in the event of an insufficient rule of cancellation and/or the failure to provide consumer information or the failure to provide conditions of insurance, in the area of life insurance, the right to object can still be asserted subsequent to the expiry of the annual period of Section 5a Para. 2 Clause 4 of the *Versicherungsvertragsgesetz* in its old version. As a result of this, the assertion of the right of objection leads to the reversal of the insurance contract according to the regulations concerning unjust enrichment, which also encompasses the issuing of actually withdrawn benefits (interest). Insurance coverage which has been granted is also to be viewed as a pecuniary benefit.

On 7 August 2014, the new LVRG [Lebensversicherungsreformgesetz / German Life Insurance Reform Act] took effect, which was passed by the German Parliament (Bundestag) on 4 July 2014. The legislator was thus responding to the historically low rates of interest which have frustrated the previous calculations of the insurers and which, among others, have forced a reduction in the guaranteed interest rate from the year 2015 onwards from 1.75% to 1.25%. The goal of the new LVRG is to provide the insurance industry with sustained support in the current interest rate environment. The reduction in interest affects new contracts. In order to be able to finance the obligations from insurance contracts over the long term, the LVRG now means that policyholders' holdings are limited to certain valuation reserves when their contract comes to an end. This means that the life insurers are only able to gain the policyholders' participation if there is "no need for hedging from insurance contracts with a guarantee of interest." For the same reason, the LVRG also limits the payment of dividends to shareholders. The obligations of the insurance companies to ensure superior cost transparency and streamlined risk management go hand in hand with these regulations.

On 3 September 2014, the federal government adopted the bill for modernisation of the financial supervision of insurance companies (the so-called 10th amendment to the VAG [Regulation on the Supervision of Insurance Undertakings]). With this resolution, the Solvency II Framework Directive from 25 November 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 own funds 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.

In its ruling from 10 December 2014 (ref. IV ZR 289/13), the Bundesgerichtshof (BGH) decided, among others, that the use of an exclusion clause by an insurance company has no validity for the area of payment protection insurance.

On 19 December 2014, the German Federal Assembly (Bundesrat) approved the ordinance of the Federal Ministry of Finance (BMF) concerning the amendment of tax regulations and additional rules which also implement changes to the implementing provision on inheritance tax (ErbStDV). The Federal Law Gazette is to provide an appropriate announcement shortly. The new arrangements will make insurance companies state the tax identification number of the policyholder and the insured party in their future disclosures of matters that regard inheritance tax, and in particular, the payment of insurance benefits to beneficiaries other than the insured party. The extended duties of disclosure already apply to acquisitions subject to inheritance tax which take place subsequent to the day of the promulgation of the ordinance.

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 area of life insurance, however, the framework conditions - as created by the European Central Bank - have continued to deteriorate. The Verband der deutschen Versicherer (GDV) [German Insurance Association] described the ECB's decision to purchase further bonds from the eurozone countries in total of € 60 billion per month as an imposition. The falling interest rates have made the new investments harder for the life insurers to achieve, and their impact is being felt across the life insurance sector, even putting companies at risk. As the risk insurer for the RheinLand Versicherungsgruppe, Credit Life AG is less strongly affected by the development of the interest rates on the capital markets.

We conscientiously perform the stress tests and scenario calculations prescribed by the regulatory authorities. Despite the continuing pressure on investments, there is no current need for action.

Over the course of the year, our investment portfolios and the resulting regular income developed according to our expectations. Provided that no more surprising developments occur in the financial markets, we expect an investment result of € 8.1 million for Credit Life AG in the financial year 2015, including surviving debt transactions.

Against the backdrop of the further expansion of the payment protection business as well as a strong increase in the portfolio for term life insurances on both the German and the Dutch markets, in the event of a favourable claims experience and stable capital markets, we expect better results for the financial year 2015.

### Opportunities Reporting

The business model of RheinLand Versicherungsgruppe is focussed on the three sales channels own field sales service, broker business and bancassurance. In connection with 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 contributes to strengthen creativity, innovation and success.

Credit Life AG sees its strengths in the own field sales service and the broker business, in particular with regard to the term life insurance and the occupational disability insurance as well with regard to the bancassurance in the payment protection insurance. Traditional life insurances with long-term guarantees should not be sold. The stronger focus on profitable business segments and the further expansion of the sales channels ensure the continued existence of Credit Life 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 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 in the respective areas is examined at least once a year and updated if required.

For Credit Life 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 expense for claims and benefits deviates from the anticipated expense. It also includes the cost and disaster risk.

### **Life insurance**

The Credit Life AG range of products primarily consists of term life insurance including occupational and incapacity complementary insurance. The company has positioned itself in the market as a term life insurance specialist. In this context it offers both term life insurance policies in which the profit participation primarily takes place on the basis of premium offsetting, as well as term life insurance policies without profit participation. In addition to this, there is also a small portfolio of endowment insurance policies.

All in all, the investment market environment for classic life insurance, with its long term benefit guarantees, is currently especially tough. It is to be assumed that the very low market interest rates will continue due to the low interest rate policy currently being pursued by the ECB. Credit Life AG has made provisions through the development of so-called additional interest provision. The reference rate of interest of relevance to the calculation fell from 3.41% to 3.15%. This means that additional interest provision has to be made for existing contracts with an agreed interest guarantee in total of 4.00%, 3.50% and 3.25%. At the end of the financial year, the additional interest provisions totalled € 1.7 million (€ 1.1 million in the previous year). Due to the arrangements defined in the Regulation on the Principles Underlying the Calculation of the Premium Reserve, it will also be necessary to make further allocations to the additional interest provision in the future in the event of falling reference interest rates.

With the Law on Ensuring Stable and Fair Benefits for Life Insurance Policyholders published on 6 August 2014, also known as the Life Insurance Reform Act, the ability of private life insurers to provide the interest guarantees that they have pledged in a long term low interest environment is to be strengthened. The law aims to limit the outflow of funds due to excessively high dividend payments to shareholders, high costs or economically inappropriate sharing of profits that impinge negatively on the policyholders remaining in the collective portfolio.

Key parts of the Regulation on the Principles Underlying the Calculation of the Premium Reserve have also been changed. On 1 January 2015, the maximum technical interest rate was reduced from 1.75% to 1.25%. As a result of this, the guaranteed benefits with endowment and annuity insurances in the area of new business have fallen. The so-called highest zillmerised rate, the level at which the life insurers are able to carry forward part of the costs of concluding new business in the current financial year to the following year, is to be reduced from 40 percent to 25 percent of the premium amount. Although this only amounts to a change to the accounting rules, it exerts indirect pressure on remuneration systems with high rates of immediate commission. An additional change relates to the basic interest rate, on which the reference interest rate for the calculation of the additional interest provision is based. The impact of this, however, is of no relevance, at least initially.

Big changes have also been made to the minimum funding ordinance. Until now, insurance policyholders have had to have a 90% stake in positive interest income, a 75% stake in a positive risk result, and a 50% stake in other positive income. The offsetting of negative results with positive results was not permitted, which meant that losses had to be carried solely by the company. In the future, insurance policyholders will have to have a 90% stake in the risk result, which means that the insurers are restricted by the Life Insurance Reform Act in terms of the key actuarial source of income. Negative interest results, however, can now be offset with positive risk results and other results. As a result of this, in the event of very low investment income, the insurers gain a certain buffer function prior to the profit participation.

The Life Insurance Reform Act is also associated with an extension of Section 56a VAG on "profit participation". Until now, pursuant to Section 153 of the *Versicherungsvertragsgesetz (VVG)* [Insurance Contract Act], policyholders have to have a stake in the valuation reserves from investments. In the current low interest environment, this led to the disbursement of valuation reserves from fixed interest securities, although it was not necessary to sell these securities prematurely in order

to ensure long term guarantees in the portfolio. The lower the market interest rate, the higher the preference for recently expired or cancelled contracts to the disadvantage of the collective portfolio. The introduction of a so-called hedging requirement which takes the very low current market interest into account is therefore exceptionally positive. Valuation reserves from fixed interest securities which are below the hedging requirement have to be held in order to secure the long term risk-bearing capacity in the company.

Section 56a of the VAG also provides a limitation on profit distribution for public limited companies. Until now it has generally been possible for the part of the gross surplus that was not intended for profit distribution to be distributed to the shareholders. In the future, it will only be possible for retained profit to be distributed if it exceeds the hedging requirement. Otherwise it is necessary for the retained profits to be retained within the companies so that the risk-bearing capacity increases. Despite its above average capitalisation, the life insurance specialist Credit Life AG is also affected.

Due to the high complexity of the economic and legal framework conditions, a departmentally-spanning working group has been dealing with these topics for many years. During several rounds of discussions, the executive team and working group have discussed the future of life insurance in detail. Several steps have been passed by the executive team. Among others, the profit participation for new business at Credit Life AG is set to be reduced from 3.5% to 3.0%. Currently, an increased risk of cancellation is not expected to occur. The interdependencies between investment income and insurance are furthermore modelled and analysed in the asset-liability-management.

### **Payment protection insurance**

In the payment protection business, the portfolio of Credit Life AG consists of term life insurances. They are sold via cooperation partners for the hedging of instalment payment defaults in the credit and leasing business. Following from the merger of the Dutch company RiMaXX International N.V. with Credit Life AG, the latter bears the risk arising from this business.

Under the "Credit Life International" brand, Credit Life 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 there are 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**

Credit Life 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.

### **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 funds 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. In 2014, the ABS market and the prices of the ABS securities in particular have further recovered.

The book value of the ABS Fund amounts to € 3.4 million and corresponds to the fair value. Furthermore, there are ABS securities with a book value of € 1.0 million and a fair value of € 0.8 million in the direct portfolio.

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, Credit Life 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, Credit Life AG recognised an addition of ABS securities to the direct portfolio to the amount of € 108 k 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 credit linked notes or direct investments in private equity. In 2014, Credit Life AG invested € 0.2 million in a company with the following commercial purpose: the issuing of mezzanine capital. In addition to this, an additional simply structured product (callable) was also acquired in the direct portfolio.

Depreciations primarily occurred to the bearer bond of Heta Asset Resolution AG (formerly Hypo Alpe-Adria Bank International) to the amount of € 250 k and the Monega special funds to the amount of € 87 k.

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 Credit Life AG is as follows:

| Bond portfolio     | in € million | in % total |
|--------------------|--------------|------------|
| Total              | 202.5        |            |
| of which           |              |            |
| ▪ government bonds | 5.0          | 2.5        |
| ▪ bank exposure    | 189.5        | 93.6       |
| ▪ corporate bonds  | 7.0          | 3.4        |
| ▪ ABS products     | 1.0          | 0.5        |

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

| Collaterals         | in € million | in % total |
|---------------------|--------------|------------|
| Right of lien       | 96.8         | 47.8       |
| Guarantor liability | 0.0          | 0.0        |
| Deposit protection  | 66.7         | 32.9       |
| State guarantee     | 5.0          | 2.5        |
| Without             | 33.0         | 16.3       |

With regard to the bond portfolio in the bank exposure with a total of € 189.5 million, there are none of the above hedging measures to the amount of € 15.9 million.

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

| Subordination         | in € million | in % total |
|-----------------------|--------------|------------|
| Profit-sharing rights | 0.7          | 0.4        |
| Subordinated loans    | 3.7          | 1.8        |

Anon-hedged equity exposure consists above special assets to the amount of € 1.828 million. The equity component of Credit Life AG is approx. 0.8%. Fluctuations in the capital market in the future due to the high degree of security of the investments will only result in limited depreciation risks for Credit Life AG. 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, Credit Life 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.

Operational risks are controlled and monitored by the responsible divisions. With regard to operational risks, scenario analyses are performed once a year and 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 Credit Life 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.

On a monthly average, the liquidity profit of Credit Life AG is approx. 9.0% with regard to the total investments – caused by the merger – and the expected liquidity profit is approx. € 59.8 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. To reduce the concentration risk, the current dependency of two cooperation partners in the payment protection insurance is being responded to with an intensive expansion of sales in this area of business.

### **Reputation risk**

Reputation risk is the risk resulting from possible damage sustained by the reputation of Credit Life 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 Credit Life 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 Credit Life 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 development will be taken into account.

## Compliance

The implementation of the Solvency II Framework Directive was postponed until 1 January 2016. The preparation phase for Solvency II continued in 2014 and included the publication of the guidelines for the governance system on the part of the European Insurance and Occupational Pensions Authority (EIOPA), as well as letters and recommendations on the part of BaFin and also the internal implementation of the guidelines. This was also completed in the scope of an internal compliance project. In the scope of this project, the compliance management system of RheinLand Versicherungsgruppe has been further developed, necessary guidelines created and/or revised, and training sessions carried out. The work required for the implementation of the new legal requirements is continuing in 2015 and is set to be complete on 31 December 2015.

The operating units of RheinLand Versicherungsgruppe also joined the revised and expanded Code of Conduct of GDV e.V. for sales on 1 July 2013. This Code of Conduct provides, amongst others, for an external auditor to review by 31 December 2014 as to whether or not the companies that joined comply with the specified provisions. The preparations for the audit were completed in 2014 and a documentation of the existing processes was created. This documentation formed the basis for the final audit in early 2015 at which RheinLand Versicherungsgruppe was tested for its compliance with the Code of Conduct. The documentation and attestation of the auditor are published on the homepage of tGDV.

## Relationships to Affiliated Companies

In the reporting year, Credit Life AG, Neuss, was merged with RheinLand Holding AG, Neuss, and its subsidiaries. With regard to these companies, positions in both the Supervisory Board and the Executive Board are mainly held concurrently.

As part of a contract for the outsourcing of functions, RheinLand Versicherungs AG, Neuss, performs the portfolio management, service processing, IT services, HR, controlling, risk management, auditing, accounting, investments and investment management for Credit Life AG, Neuss.

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

There were no measures taken in the reporting year which are subject to reporting.

The report to be prepared by the Executive Board pursuant to Section 312 AktG concerning the relationships with affiliated companies closes with the statement that our company received a reasonable consideration with regard to each legal transaction with an affiliated company according to the circumstances which were known at the time at which the legal transactions were conducted.

## Memberships

The company is a member of "Gesamtverband der Deutschen Versicherungswirtschaft e.V.", Berlin, "Arbeitgeberverband der Versicherungsunternehmen e.V.", Munich, "Deutsche Aktuarvereinigung e.V.", Cologne and "Versicherungsombudsmann e.V.", Berlin.

Neuss, 23 April 2015

The Executive Board

Christoph Buchbender

Dr. Lothar Horbach

Udo Klanten

Andreas Schwarz

## Recommended Profit Appropriation

The Executive Board and Supervisory Board suggest that the appropriation of the net earnings for the financial year 2014 of Credit Life AG be used as follows:

The net earnings for the year amounting to € 2,974,859.60 will be carried forward to new account.

# Balance Sheet as at 31 December 2014

(in Euro)

| ASSETS   | 2014                 | 2014                  | 2014                  | 2014                  | 2013<br>adjusted |
|--|----------------------|-----------------------|-----------------------|-----------------------|------------------|
| <b>A Investments</b>   |                      |                       |                       |                       |                  |
| I. Investments in affiliated companies and participating interests             |                      |                       |                       |                       |                  |
| 1. Participating interests   |                      |                       | <b>215 756.74</b>     |                       | 3 464.22         |
| II. Other investments  |                      |                       |                       |                       |                  |
| 1. Shares, investment shares and other non-fixed-income securities:            |                      | <b>6 377 840.90</b>   |                       |                       | 6 386 698.44     |
| 2. Bearer bonds and other fixed-income securities                              |                      | <b>85 796 963.95</b>  |                       |                       | 113 804 647.42   |
| 3. Claims arising from a mortgage, a land charge or an annuity charge          |                      | <b>1 302.60</b>       |                       |                       | 11 951.12        |
| 4. Other loans   |                      |                       |                       |                       |                  |
| a) Registered bonds  | <b>50 000 000.00</b> |                       |                       |                       | 51 000 000.00    |
| b) Notes receivable and loans  | <b>65 900 004.48</b> |                       |                       |                       | 69 900 014.49    |
| c) Loans and advance payments with regard to insurance certificates            | <b>282 954.52</b>    |                       |                       |                       | 259 683.88       |
| d) Other loans   | <b>741 624.56</b>    |                       |                       |                       | 741 998.13       |
|  |                      | <b>116 924 583.56</b> |                       |                       | 121 901 696.50   |
| 5. Deposits at banks   |                      | <b>11 762 770.75</b>  |                       |                       | 12 019 138.80    |
|  |                      |                       | <b>220 863 461.76</b> |                       | 254 124 132.28   |
|  |                      |                       |                       | <b>221 079 218.50</b> | 254 127 596.50   |
| <b>B. Investments for account and risk of policyholders of life insurances</b> |                      |                       |                       | <b>78 333.45</b>      | 62 687.96        |
| <b>C. Receivables</b>  |                      |                       |                       |                       |                  |
| I. Receivables arising from direct insurance operations from:                  |                      |                       |                       |                       |                  |
| 1. Policyholders   |                      |                       |                       |                       |                  |
| a) Claims due  | <b>338 472.64</b>    |                       |                       |                       | 131 033.41       |
| b) Claims not yet due  | <b>4 622 267.56</b>  |                       |                       |                       | 2 441 873.17     |
|  |                      | <b>4 960 740.20</b>   |                       |                       | 2 572 906.58     |
| 2. Intermediaries  |                      | <b>4 254 037.16</b>   |                       |                       | 4 403 753.58     |
|  |                      |                       | <b>9 214 777.36</b>   |                       | 6,976,660.16     |

| ASSETS  | 2014 | 2014 | 2014         | 2014                  | 2013<br>adjusted      |
|---|------|------|--------------|-----------------------|-----------------------|
| II. Reinsurance receivables   |      |      | 237,120.43   |                       | 519 861.30            |
| of which: from affiliated companies<br>€ 0.00 (€ 0.00)              |      |      |              |                       |                       |
| III. Other receivables  |      |      | 616 154.22   |                       | 366 831.58            |
| of which: from affiliated companies<br>€ 338 212.79 (€ 63 697.65)   |      |      |              |                       |                       |
|   |      |      |              | 10 068 052.01         | 7 863 353.04          |
| <b>D. Other assets</b>  |      |      |              |                       |                       |
| I. Fixed assets and inventories                                     |      |      | 435 242.00   |                       | 734 352.00            |
| II. Current cash at credit institutions,<br>checks and cash-in-hand |      |      | 9,429,191.00 |                       | 6 065 483.70          |
|   |      |      |              | 9 864 433.00          | 6 799 835.70          |
| <b>E. Deferred items</b>  |      |      |              |                       |                       |
| I. Accrued interest and rent  |      |      | 3 166 635.58 |                       | 3 787 437.56          |
| II. Deferred items  |      |      | 192 762.85   |                       | 374 831.07            |
|   |      |      |              | 3 359 398.43          | 4 162 268.63          |
| <b>F. Deferred tax assets</b>                                       |      |      |              |                       | 728 187.00            |
| <b>Total assets</b>   |      |      |              | <b>244 449 435.39</b> | <b>273 743 928.83</b> |

I hereby certify according to Section 73 VAG that the financial assets listed in the reserve fund index are invested according to the statutory and regulatory requirements and are ensured according to the regulations.

Neuss, 20 February 2015

The trustee  
Jürgen Wolfgang Urbahn

(in Euro)

| EQUITY AND LIABILITIES  | 2014                  | 2014                  | 2014                 | 2013<br>adjusted |
|---|-----------------------|-----------------------|----------------------|------------------|
| <b>A. Investments</b>   |                       |                       |                      |                  |
| I. Subscribed capital   |                       | <b>7 096 320.00</b>   |                      | 7 096 000.00     |
| II. Capital reserve   |                       | <b>24 290 050.24</b>  |                      | 24 290 050.24    |
| of which pursuant to Section 5 Para. 5 No. 3 VAG<br>€ 79 250.24 (€ 79 250.24) |                       |                       |                      |                  |
| III. Retained earnings:   |                       |                       |                      |                  |
| 1. legal reserve  | <b>248 832.00</b>     |                       |                      | 144 645.00       |
| 2. other retained earnings  | <b>6 257 674.06</b>   |                       |                      | 6 969 610.26     |
|   |                       | <b>6 506 506.06</b>   |                      | 7 114 255.26     |
| IV. Net profit for the year   |                       | <b>2 974 859.60</b>   |                      | 6 416 570.80     |
|   |                       |                       | <b>40 867 735.90</b> | 44 916 876.30    |
| <b>B. Subordinated liabilities</b>  |                       |                       | <b>1 500 000.00</b>  | 1 500 000.00     |
| <b>C. Technical provisions</b>  |                       |                       |                      |                  |
| I. Unearned premiums  |                       |                       |                      |                  |
| 1. Gross amount   | <b>4 083 733.20</b>   |                       |                      | 4 093 091.83     |
| 2. of which:  |                       |                       |                      |                  |
| Share of the assumed<br>reinsurance business                                  | <b>1 771 524.55</b>   |                       |                      | 1 625 136.53     |
|   |                       | <b>2 312 208.65</b>   |                      | 2 467 955.30     |
| II. Provision for life insurance  |                       |                       |                      |                  |
| 1. Gross amount   | <b>162 509 722.52</b> |                       |                      | 199 354 474.13   |
| 2. of which:  |                       |                       |                      |                  |
| Share of the assumed<br>reinsurance business                                  | <b>62 079 131.78</b>  |                       |                      | 108 200 191.24   |
|   |                       | <b>100 430 590.74</b> |                      | 91 154 282.89    |
| III. Provision for outstanding insurance claims                               |                       |                       |                      |                  |
| 1. Gross amount   | <b>18 591 952.36</b>  |                       |                      | 17 958 039.66    |
| 2. of which:  |                       |                       |                      |                  |
| Share of the assumed<br>reinsurance business                                  | <b>14 822 884.13</b>  |                       |                      | 15 164 998.60    |
|   |                       | <b>3 769 068.23</b>   |                      | 2 793 041.06     |

| EQUITY AND LIABILITIES  | 2014         | 2014         | 2014           | 2013<br>adjusted |
|---|--------------|--------------|----------------|------------------|
| IV. Provision for performance-based and non-performance-based premium refunding                                   |              |              |                |                  |
| 1. Gross amount   | 8 688 247.37 |              |                | 9 356 258.88     |
| 2. of which:<br>Share of the assumed reinsurance business   | 0.00         |              |                | 0.00             |
|   |              | 8 688 247.37 |                | 9 356 258.88     |
| V. Other technical provisions   |              |              |                |                  |
| 1. Gross amount   | 875 000.01   |              |                | 792 000.00       |
| 2. of which:<br>Share of the assumed reinsurance business   | 875 000.02   |              |                | 792 000.01       |
|   |              | - 0.01       |                | - 0.01           |
|   |              |              | 115 200 114.98 | 105 771 538.12   |
| <b>D. Technical provisions in the area of life insurance if the investment risk is borne by the policyholders</b> |              |              |                |                  |
| Provision for life insurance  |              |              |                |                  |
| 1. Gross amount   |              | 78 333.45    |                | 62 687.96        |
| 2. of which:<br>Share of the assumed reinsurance business   |              | 0.00         |                | 0.00             |
| <b>E. Other provisions</b>  |              |              |                |                  |
| I. Tax provisions   |              | 3 255.17     |                | 333 000.00       |
| II. Other provisions  |              | 489 543.34   |                | 1 060 307.41     |
|   |              |              | 492 798.51     | 1 393 307.41     |
| <b>F. Deposits</b>  |              |              |                |                  |
| resulting from the reinsurance business   |              |              | 59 825 668.12  | 98 057 013.88    |
| of which to affiliated companies:<br>€ 0.00 (€ 11 417 243.08)   |              |              |                |                  |

(in Euro)

| EQUITY AND LIABILITIES   | 2014                | 2014                | 2014                  | 2013<br>adjusted |
|--|---------------------|---------------------|-----------------------|------------------|
| <b>G. Other liabilities</b>  |                     |                     |                       |                  |
| I. Liabilities arising out of direct insurance operations from       |                     |                     |                       |                  |
| 1. Policyholders   | <b>8 401 218.84</b> |                     |                       | 7 346 393.01     |
| 2. Intermediaries  | <b>526 321.88</b>   |                     |                       | 340 665.12       |
|  |                     | <b>8 927 540.72</b> |                       | 7 687 058.13     |
| II. Reinsurance payables   |                     | <b>4 798 115.31</b> |                       | 7 444 946.57     |
| of which to affiliated companies:<br>€ 0.00 (€ 96 108.79)            |                     |                     |                       |                  |
| III. Other liabilities   |                     | <b>6 699 345.79</b> |                       | 3 763 545.84     |
| of which to affiliated companies:<br>€ 6 084 936.38 (€ 2 531 190.27) |                     |                     |                       |                  |
| of which from taxes:<br>€ 80 964.38 (€ 339 632.77)                   |                     |                     |                       |                  |
|  |                     |                     | <b>20 425 001.82</b>  | 18 895 550.54    |
| <b>H. Deferred items</b>   |                     |                     | <b>6 059 782.61</b>   | 3 146 954.62     |
| <b>Total liabilities</b>   |                     |                     | <b>244 449 435.39</b> | 273 743 928.83   |

It is confirmed that the provision for life insurance disclosed in the balance sheet under items C.II. and D of the liabilities was calculated taking into account Section 341 et seq. Handelsgesetzbuch (HGB) [German Commercial Code] and the regulations enacted on the basis of Section 65 Para. 1 VAG; with regard to the pre-existing assets within the meaning of Section 11 c VAG and of Article 16 Section 2 Sentence 2 of the Third Implementing Act/EEC concerning VAG, the provision for life insurance has been calculated according to the business plan last approved on 16 October 2013.

Neuss, 1 April 2015

The responsible actuary  
Lutz Bittermann

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

(in Euro)

|   | 2014           | 2014          | 2014          | 2013<br>adjusted |
|---|----------------|---------------|---------------|------------------|
| <b>I. Technical account</b>   |                |               |               |                  |
| 1. Net premiums earned  |                |               |               |                  |
| a) Gross premiums entered   | 70 789 244.23  |               |               | 100 008 053.47   |
| b) Reinsured premiums   | 29 101 397.76  |               |               | 66 150 587.75    |
|   |                | 41 687 846.47 |               | 33 857 465.72    |
| c) Change in unearned premiums  | 9 358.63       |               |               | 103 871.78       |
| d) Change in the share of the reinsurers in the gross unearned premiums | 146 388.02     |               |               | - 61 660.42      |
|   |                | 155 746.65    |               | 42 211.36        |
|   |                |               | 41 843 593.12 | 33 899 677.08    |
| 2. Premiums from the gross provision for premium refunding              |                |               | 64 725.74     | 22 969.23        |
| 3. Investment income  |                |               |               |                  |
| a) Income from other investments  |                | 7 681 959.05  |               | 8 998 793.89     |
| b) Income from write-ups  |                | 49 177.71     |               | 0.00             |
| c) Gains from the termination of investments                            |                | 677 620.25    |               | 1 212 805.36     |
|   |                |               | 8 408 757.01  | 10 211 599.34    |
| 4. Non-realized gains stemming from investment income                   |                |               | 3 819.74      | 6 303.64         |
| 5. Other net technical income   |                |               | 13 749 696.73 | 1 303.58         |
| 6. Net costs for insurance claims                                       |                |               |               |                  |
| a) Payments for insurance claims  |                |               |               |                  |
| aa) Gross amount  | 58 313 946.60  |               |               | 76 898 553.18    |
| bb) Share of the reinsurers   | -43 814 255.25 |               |               | -64 709 260.71   |
|   |                | 14 499 691.35 |               | 12 189 292.47    |
| b) Change in the provision for outstanding insurance claims             |                |               |               |                  |
| aa) Gross amount  | 619 239.51     |               |               | -6 156 391.19    |
| bb) Share of the reinsurers   | 342 114.47     |               |               | 6 509 128.99     |
|   |                | 961 353.98    |               | 352 737.80       |
|   |                |               | 15 461 045.33 | 12 542 030.27    |

(in Euro)

|   | 2014           | 2014           | 2014          | 2013<br>adjusted |
|---|----------------|----------------|---------------|------------------|
| 7. Change in the other net technical provisions   |                |                |               |                  |
| a) Provision for life insurance   |                |                |               |                  |
| aa) Gross amount  | -36 616 435.61 |                |               | -45 850 841.38   |
| bb) Share of the reinsurers   | 46 121 059.46  |                |               | 41 824 781.39    |
|   |                | 9 504 623.85   |               | -4 026 059.99    |
| b) Other net technical provisions   |                | 0.00           |               | 0.00             |
|   |                |                | 9 504 623.85  | -4 026 060.00    |
| 8. Net costs for profit-related and not profit-related premium refunds                    |                |                | 1 086 427.27  | 1 679 071.64     |
| 9. Net costs of insurance operations  |                |                |               |                  |
| a) Acquisition expenses   | 20 905 457.45  |                |               | 30 970 053.18    |
| b) Administration expenses  | 5 872 396.35   |                |               | 11 231 011.60    |
|   |                | 26 777 853.80  |               | 42 201 064.78    |
| c) of which:<br>Reinsurance business commissions and profit shares received               |                | -12 986 638.01 |               | -40 739 734.57   |
|   |                |                | 13 791 215.79 | 1 461 330.21     |
| 10. Investment costs  |                |                |               |                  |
| a) Costs for the administration of investments, interest costs and other investment costs |                | 488 656.79     |               | 194 086.96       |
| b) Depreciation on investments  |                | 336 616.87     |               | 3 102.39         |
| c) Losses from the disposal of investments  |                | 0.00           |               | 0.30             |
|   |                |                | 825 273.66    | 197 189.65       |
| 11. Non-realized gains stemming from investment income                                    |                |                | 155.69        | 4 699.65         |
| 12. Other net technical costs   |                |                | 14 759 676.01 | 16 317 806.23    |
| 13. Net technical result  |                |                | 8 642 174.74  | 15 965 785.22    |

(in Euro)

|   | 2014 | 2014                 | 2014                 | 2013<br>adjusted |
|---|------|----------------------|----------------------|------------------|
| <b>II. Non-technical account</b>            |      |                      |                      |                  |
| 1. Other income                             |      | <b>12 306 649.11</b> |                      | 225 799.57       |
| 2. Other costs                              |      | <b>15 253 600.10</b> |                      | 1 016 972.51     |
|   |      |                      | <b>-2 946 950.99</b> | -791 172.94      |
| 3. Result from ordinary business operations |      |                      | <b>5 695 223.75</b>  | 15 174 612.28    |
| 4. Tax on income and profit                 |      |                      | <b>2 616 177.15</b>  | 3 758 041.47     |
| 5. Net income for the year                  |      |                      | <b>3 079 046.60</b>  | 11 416 570.81    |
| 6. Allocation to revenue reserves           |      |                      |                      | 0.00             |
| a) to the legal reserve                     |      |                      | <b>104 187.00</b>    | 0.00             |
| 7. Net profit for the year                  |      |                      | <b>2 974 859.60</b>  | 11 416 570.81    |

# Notes

## Accounting and Valuation Methods

The Financial Statements were prepared according to the regulations set out in the Commercial Code and of the Aktiengesetz [Stock Corporation Act] in connection with the Verordnung über die Rechnungslegung von Versicherungsunternehmen (RechVersV) [German Accounting Regulations for Insurance Companies].

Due to the merger with Credit Life International N.V., individual items in 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 40 and 41.

### Participating interests

The participating interest in Protektor Lebensversicherungs-AG acquired in 2003 was estimated at amortised acquisition costs on 31 December 2014.

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

The investment shares are 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. The fair value was estimated as the valuation standard for RheinLand-ABS Fund I.

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.

Based on exercising the option to value the ABS Fund according to the principles applicable to fixed assets pursuant to the moderate lower of cost or market principle, depreciations amounting to € 49 k were made in the RheinLand-ABS Fund I. The book value of the ABS Fund I amounts to € 3,385 k on 31 December 2014.

The requirement to reverse impairment losses according to Section 253 Para. 5 HGB was fulfilled.

### Other non-fixed-income securities

The valuation was completed according to Section 341 b Para. 2 HGB in connection with Section 253 Para. 1 HGB according to the moderate lower of cost or market principle.

The requirement to reverse impairment losses according to Section 253 Para. 5 HGB was fulfilled.

### **Bearer bonds and other fixed-income securities**

The bearer bonds were valued at a book value of € 85,797 k (previous year: € 113,805 k) according to Section 341 b Para. 2 HGB in connection with Section 253 Para. 3 HGB pursuant to the moderate lower of cost or market principle. Depreciations were made if the fair value was below the book value. Therefore, no depreciations arose.

Depreciations amounting to € 215 k were avoided by allocating the bearer bonds to the fixed assets. The book value of the bearer bonds which exceed the fair value amounts to € 4,509 k.

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.

For the risk provisions with a Senior unsecured loan from Heta (formerly Hypo Alpe Adria), a depreciation to the amount of € 250 k was carried out.

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

are estimated at amortised acquisition costs. In this respect, value adjustments are performed to a reasonable extent.

### **Other loans**

Loans and advance payments with regard to insurance certificates are shown in the balance sheet at the nominal value minus repayments made in the meantime.

Registered bonds, notes receivables and loans as well as other loans are valued at amortised acquisition costs according to Section 341 c HGB in connection with Section 253 Para. 3 HGB. Any possible differential amounts between acquisition costs and nominal values are amortised by using the effective interest method over the maturity.

### **Investments for account and risk of policyholders of life insurances**

are estimated at the fair value according to Section 341 d HGB in connection with Section 56 RechVersV.

### **Receivables from policyholders arising from claims not yet due**

With regard to direct insurance operations, the receivables from policyholders arising from claims not yet due are calculated for each insurance on a case-by-case basis according to actuarial principles which correspond to the provisions of the accounting policies of the Federal Financial Supervisory Authority. In this respect, the beginning of the insurance year is always taken into account.

### Receivables

are always estimated at the nominal values. Where required, value adjustments are made with regard to receivables arising out of direct insurance operations as it is likely that not all receivables are settled.

The sum which amounts to € 12 k and is shown under "other receivables" is the discounted cash value of the corporation tax credit to be taken into account from 2008 to 2017 which is paid out and/or offset in the above period on the basis of the Gesetz über steuerliche Begleitmaßnahmen zur Einführung der Europäischen Gesellschaft und zur Änderung weiterer steuerrechtlicher Vorschriften (SEStEG) [Act on fiscal measures accompanying the introduction of the European Company and the amendment of other fiscal regulations].

When calculating the cash value, a 3.7% discount rate is estimated.

### Current cash at credit institutions, checks and cash-in-hand

are shown in the balance sheet at the nominal value.

### Other balance sheet items

The other balance sheet items on the assets side not mentioned were estimated at the nominal value; the balance sheet items on the liabilities side not mentioned were estimated at the settlement value.

### Unearned premiums

With regard to direct insurance operations, they are calculated for each insurance on a case-by-case basis with the beginning of the insurance year being always taken into account.

Tax regulations were observed.

### Provision for life insurance

#### 1. New portfolio

With the exception of the fund-linked life insurance, the provision for life insurance is calculated on a contract-by-contract basis using the prospective method. Costs are taken into account implicitly. With regard to the fund-linked life insurance, the provision for life insurance is partly calculated according to the retrospective method

| Settlement class          | Share in % | Zillmerised rate                           | Interest rate in %*) | Decrement table                               |
|---------------------------|------------|--|----------------------|---|
| GL2004                    | 0.50       | min(12;maturity in years) ‰ of the premium | 2.75                 | DAV1994T                                      |
| GL2000                    | 0.90       | min(12;maturity in years) ‰ of the premium | 3.25                 | DAV1994T                                      |
| GL96                      | 7.10       | min(12;maturity in years) ‰ of the premium | 4.00                 | DAV1994T                                      |
| GL95                      | 1.60       | 10 ‰ of the insured amount                 | 3.50                 | ADSt 1986MF                                   |
| RIS2013NR                 | 0.10       | 40‰ of the premium amount                  | 1.75                 | DAV2008TN, Unisex calculation                 |
| RIS2012NR                 | 0.20       | 40‰ of the premium amount                  | 1.75                 | DAV2008TN                                     |
| RIS2012R                  | 0.20       | 40‰ of the premium amount                  | 1.75                 | DAV2008TR                                     |
| RIS2009NR                 | 2.10       | 40‰ of the premium amount                  | 2.25                 | DAV2008TN                                     |
| RIS2009R                  | 1.50       | 40‰ of the premium amount                  | 2.25                 | DAV2008TR                                     |
| RIS2008NR                 | 1.00       | 40‰ of the premium amount                  | 2.25                 | DAV1994TN (70%)                               |
| RIS2008R                  | 0.30       | 40‰ of the premium amount                  | 2.25                 | DAV1994TR (70%)                               |
| RIS2007NR                 | 1.10       | 40‰ of the premium amount                  | 2.25                 | DAV1994TN (70%)                               |
| RIS2007R                  | 0.30       | 40‰ of the premium amount                  | 2.25                 | DAV1994TR (70%)                               |
| RIS2005NR                 | 3.00       | 40‰ of the premium amount                  | 2.75                 | DAV1994TN (70%)                               |
| RIS2005R                  | 0.80       | 40‰ of the premium amount                  | 2.75                 | DAV1994TR (70%)                               |
| Ris2004                   | 0.50       | 40‰ of the premium amount                  | 2.75                 | DAV1994T (70%)                                |
| Ris99                     | 4.40       | 40‰ of the premium amount                  | 3.00                 | DAV1994T (70%)                                |
| Ris95                     | 5.60       | 40‰ of the premium amount                  | 4.00                 | DAV1994T                                      |
| DR08/DR09/ DR12/DR13      | 0.20       | 25‰ or 40‰ insured amount                  | 1.75/2.25**)         | DAV2004R ***)                                 |
| Residual debt 1.75%       | 3.60       | -  | 1.75                 | DAV2008T Unisex-calculation                   |
| BG247 residual debt 1.75% | 22.10      | -  | 1.75                 | DAV2008T Unisex calculation                   |
| BG247 residual debt 2.25% | 21.30      | -  | 2.25                 | DAV2008T or DAV1994T (65%) Unisex calculation |
| BG247 residual debt 2.75% | 0.10       | -  | 2.75                 | DAV1994T (65%) Unisex calculation             |
| KAP04/KAP05               | 1.00       | 40‰ of the premium amount                  | 2.75                 | DAV1994T                                      |
| STE05                     | 1.20       | 40‰ of the premium amount                  | 2.75                 | DAV1994T                                      |
| REN04/REN05               | 7.50       | 40‰ of the premium amount                  | 2.75                 | ERM/F2000AP                                   |

\*) To calculate the cash value of the prospective provision for life insurance, this reference interest rate is used in the next 15 years and the second interest rate is used after this period. On 31 December 2014, this amounted to 3.15%.

\*\*) With regard to the tariffs DR08, DR09, the interest rate amounts to 2.25%; for the tariffs DR12 and DR13, the interest rate is 1.75%.

\*\*\*) Unisex calculation with DR13

| Settlement class | Share in % | Zillmerised rate          | Interest rate in %*) | Decrement table   |
|------------------|------------|---------------------------|----------------------|---|
| EU09             | 0.10       | 40‰ of the premium amount | 2.25                 | DAV 1994T, DAV 1998E<br>DAV 1998TE, DAV 1998RE                        |
| BUZ2013          | 0.10       | 40‰ of the premium amount | 1.75                 | DAV 1994T, DAV 1997I<br>DAV 1997TI, DAV 1997RI,<br>Unisex calculation |
| BUZ2012          | 0.20       | 40‰ of the premium amount | 1.75                 | DAV 1994T, DAV 1997I<br>DAV 1997TI, DAV 1997RI                        |
| BUZ2009          | 0.90       | 40‰ of the premium amount | 2.25                 | DAV 1994T, DAV 1997I<br>DAV 1997TI, DAV 1997RI                        |
| BUZ2004          | 0.20       | 20‰ of the premium amount | 2.75                 | DAV 1994T, DAV 1997I<br>DAV 1997TI, DAV 1997RI                        |
| BUZ2000          | 0.70       | 20‰ of the premium amount | 3.00                 | DAV 1994T, DAV 1997I<br>DAV 1997TI, DAV 1997RI                        |
| BUZ97            | 1.00       | 20‰ of the premium amount | 4.00                 | DAV 1994T, DAV 1997I<br>DAV 1997TI, DAV 1997RI                        |
| BUZ95            | 0.50       | -                         | 3.50                 | DAV 1994T, DAV 1997I<br>DAV 1997TI, DAV 1997RI                        |

## 2. Pre-existing assets.

The provision for life insurance has been calculated according to the valid business plans.

| Tariff group | Share in % | Zillmerised rate                  | Interest rate in %*) | Decrement table                                |
|--------------|------------|-----------------------------------|----------------------|--|
| BO           | 5.00       | 10‰ of the insured amount         | 3.50                 | ADSt 1986MF                                    |
| EO           | 1.90       | 0.25‰-6.25‰ of the insured amount | 3.50                 | ADSt 1986MF                                    |
| BUZ          | 1.00       | -                                 | 3.50                 | DAV 1994T, DAV 1997I<br>DAV 1997TI, DAV 1997RI |

\*) To calculate the cash value of the prospective provision for life insurance, this reference interest rate is used in the next 15 years and the second interest rate is used after this period. On 31 December 2014, this amounted to 3.15%.

### Provision for outstanding insurance claims

It comprises three parts with regard to which the following applies in terms of direct insurance operations:

The first part concerns the claims which became known up to the portfolio status report (18 December 2014) and could not be paid out any more. In these cases, the provision is calculated for each insurance contract on a case-by-case basis; the benefit is estimated at the amount at which it is likely to be paid.

The second part results from a flat rate provision for claims incurred but not reported which is formed for claims which have not become known at the time of the portfolio status report.

The third part is the provision for settlement expenses which is formed according to the order of the Federal Ministry of Finance dated 2 February 1973.

## **Terminal dividend fund**

### **1. New portfolio**

The terminal dividend fund is calculated on a contract-by-contract basis using the prospective method according to Section 28 Para. 7 RechVersV in connection with Section 28 Para. 6 RechVersV by using a 2.68% discount rate. With regard to terminal dividends, a 1% surcharge – for final payments a 1% discount – is to be taken into account for withdrawal probabilities which have not explicitly been estimated.

### **2. Pre-existing assets.**

The terminal dividend fund is calculated on a contract-by-contract basis using the prospective method according to the procedure set forth for the profit share in the overall business plan at a 3.20% discount rate; this procedure corresponds to the procedure set out in Section 28 Para. 7 RechVersV. With regard to terminal dividends, a 1% surcharge – for final payments a 1% discount – is to be taken into account for withdrawal probabilities which have not explicitly been estimated.

## **Provision in the area of life insurance if the investment risk is borne by the policyholders.**

The capital sum required as cover is calculated by means of the fair values of the fund shares acquired which are valid at the balance sheet date.

## **Shares of the reinsurers in technical provisions**

For the reinsurance business, the shares of the reinsurers in the provisions arising out of direct insurance operations correspond to the reinsurance contracts.

## **Other provisions**

Their scope depends on the anticipated requirements amounting to the settlement value.

## **Deposit account liabilities and other liabilities**

are valued at the settlement value.

## **Other explanations**

Compared to the previous year, the valuation methods remained unchanged.

# Comparative Figures 2013

## Balance Sheet 31 December 2013

(in Euro)

Due to the merger with Credit Life International N.V., which is referred to in the management report, the following comparative figures result:

| ASSETS   | 2013           | 2013                           | 2013           |
|--|----------------|--------------------------------|----------------|
|  | Credit Life AG | Credit Life International N.V. | total          |
| <b>A. Investments</b>  | 92 658 388.52  | 161 469 207.98                 | 254 127 596.50 |
| <b>B. Investments for account and risk of policyholders of life insurances</b> | 62 687.96      | 0.00                           | 62 687.96      |
| <b>C. Receivables</b>  | 3,893,903.18   | 3,969,449.86                   | 7,863,353.04   |
| <b>D. Other assets</b>   | 3 046 832.17   | 3 753 003.53                   | 6 799 835.70   |
| <b>E. Deferred items</b>   | 1 484 094.51   | 2 678 174.12                   | 4 162 268.63   |
| <b>F. Deferred tax assets</b>  | 0.00           | 728 187.00                     | 728 187.00     |
| <b>Total assets</b>  | 101 145 906.34 | 172 598 022.49                 | 273 743 928.83 |

| EQUITY AND LIABILITIES  | 2013           | 2013                           | 2013           |
|---|----------------|--------------------------------|----------------|
|   | Credit Life AG | Credit Life International N.V. | total          |
| <b>A. Investments</b>   | 8,479,413.02   | 36,437,463.28                  | 44,916,876.30  |
| <b>B. Subordinated liabilities</b>  | 0.00           | 1 500 000.00                   | 1 500 000.00   |
| <b>C. Technical provisions</b>  |                |                                |                |
| I. Unearned premiums - net  | 2 467 955.32   | - 0.02                         | 2 467 955.30   |
| II. Provision for life insurance - net  | 62 988 024.00  | 28 166 258.89                  | 91 154 282.89  |
| III. Provision for outstanding insurance claims - net   | 1 266 730.35   | 1 526 310.71                   | 2 793 041.06   |
| IV. Provision for performance-based and non-performance-based premium refunding - net                             | 9 356 258.88   | 0.00                           | 9 356 258.88   |
| V. Other technical provisions - net   | 0.00           | - 0.01                         | - 0.01         |
| <b>D. Technical provisions in the area of life insurance if the investment risk is borne by the policyholders</b> | 62 687.96      | 0.00                           | 62 687.96      |
| <b>E. Other provisions</b>  | 388,950.00     | 1,004,357.41                   | 1,393,307.41   |
| <b>F. Deposits</b>  | 8 876 175.86   | 89 180 838.02                  | 98 057 013.88  |
| <b>G. Other liabilities</b>   | 7 259 710.95   | 11 635 839.59                  | 18 895 550.54  |
| <b>H. Deferred items</b>  | 0.00           | 3 146 954.62                   | 3 146 954.62   |
| <b>Total liabilities</b>  | 101 145 906.34 | 172 598 022.49                 | 273 743 928.83 |

## Profit and Loss Account for the period from 1 January to 31 December 2013 (in Euro)

|  | 2013           | 2013                              | 2013           |
|--|----------------|-----------------------------------|----------------|
|  | Credit Life AG | Credit Life<br>International N.V. | total          |
| <b>I. Technical account</b>  |                |                                   |                |
| 1. Net premiums earned   | 24,064,007.90  | 9,835,669.18                      | 33,899,677.08  |
| 2. Premiums from the gross provision for<br>premium refunding                        | 22 969.23      | 0.00                              | 22 969.23      |
| 3. Investment income   | 3 587 803.85   | 6 623 795.49                      | 10 211 599.34  |
| 4. Non-realized gains stemming from investment in-<br>come                           | 6 303.64       | 0.00                              | 6 303.64       |
| 5. Other net technical income  | 1 303.58       | 0.00                              | 1 303.58       |
| 6. Net costs for insurance<br>claims   | -5 229 750.27  | -7 312 280.00                     | -12 542 030.27 |
| 7. Change in the other<br>net technical provisions                                   | -3 968 805.00  | 7 994 865.00                      | 4 026 060.00   |
| 8. Net costs for performance-based and<br>non-performance-based<br>premium refunding | -1 679 071.64  | 0.00                              | -1 679 071.64  |
| 9. Net costs of insurance operations   | -2,814,919.44  | 1,353,589.23                      | -1,461,330.21  |
| 10. Investment costs   | - 161 187.61   | - 36 002.04                       | - 197 189.65   |
| 11. Non-realized gains stemming from investment income                               | - 24.65        | - 4 675.00                        | - 4 699.65     |
| 12. Other net<br>technical costs   | -12 694 548.82 | -3 623 257.41                     | -16 317 806.23 |
| 13. Net technical<br>result  | 1 134 080.77   | 14 831 704.45                     | 15 965 785.22  |

|   | 2013           | 2013                              | 2013          |
|---|----------------|-----------------------------------|---------------|
|   | Credit Life AG | Credit Life<br>International N.V. | total         |
| <b>II. Non-technical account</b>            |                |                                   |               |
| 1. Other income                             | 177 389.45     | 48 410.12                         | 225 799.57    |
| 2. Other costs                              | - 405 155.40   | - 611 817.11                      | -1 016 972.51 |
| 3. Result from ordinary business operations | 906 314.82     | 14 268 297.46                     | 15 174 612.28 |
| 4. Tax on income and profit                 | - 306 314.82   | -3 451 726.65                     | -3 758 041.47 |
| 5. Net income for the year                  | 600 000.00     | 10 816 570.81                     | 11 416 570.81 |
| 6. Net profit for the year                  | 600 000.00     | 10 816 570.81                     | 11 416 570.81 |

## Explanatory Notes on Balance Sheet

The previous year's values refer to the details of Credit Life AG for the 2013 financial year. In view of the merger which was 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 40 and 41.

### Assets

#### To A. Investments

A detailed illustration of the investments can be found on page 78 et seq. The following supplementary information is provided:

To I. Investments in affiliated companies and participating interests

##### 1. Participating interests

In this context, the participating interest of Credit Life AG in Protektor Lebensversicherungs-AG amounting to € 3,464.22 is shown. This corresponds to a share of 0.05% in the share capital of the company.

#### To II. Other investments

##### 1. Shares, investment shares and other non-fixed-income securities

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

| Type of fund / investment goal | Book value<br>31/12/2014 | Fair value<br>31/12/2014 | Valuation re-<br>serve | Distribution<br>2014 |
|--------------------------------|--------------------------|--------------------------|------------------------|----------------------|
| <b>AIF special fund</b>        |                          |                          |                        |                      |
| RheinLand-VM Monega Fund       | 2 992 707.55             | 2 992 707.55             | 0.00                   | 133 581.45           |
| Rheinland ABS Fund             | 3 385 133.35             | 3 385 133.35             | 0.00                   | 60 458.87            |
| <b>Total</b>                   | <b>6 377 840.90</b>      | <b>6 377 840.90</b>      | <b>0.00</b>            | <b>194 040.32</b>    |

The investment goal is always to generate long-term stable income. With regard to the return of the shares, the contractual notice periods shall be observed.

## To B. Investments for account and risk of policyholders of life insurances

Number of shares

| Identification no. | Fund name                              | Number of shares | Fair value in € million |
|--------------------|--|------------------|-------------------------|
| DE0005320303       | Acatis Asia "D" Pacific Plus Fonds Ul. | 1.000            | 47.66                   |
| DE0005320329       | UBS (D) Konz. FDS.EUR Plus             | 4.000            | 214.80                  |
| DE0008474024       | DWS Akkumula                           | 0.047            | 38.11                   |
| DE0008476524       | DWS Vermögensbil. Fonds                | 1.000            | 119.90                  |
| DE0008488214       | UBS(D)EQUITY FUND-GLOB.OPPORT.INH.A    | 1.000            | 150.88                  |
| DE0008491044       | UniRak                                 | 1.000            | 106.37                  |
| DE0009785162       | UBS (D) KONZEPTFONDS I                 | 1.000            | 43.06                   |
| DE0009785188       | UBS (D) KONZEPTFONDS III               | 1.000            | 64.89                   |
| DE0009797076       | UBS (D) KONZEPTFONDS V                 | 1.000            | 64.60                   |
| DE000A0F5G98       | C-Quadrat Arts Total Return Global     | 1.000            | 107.28                  |
| FR0010135103       | CARMIGNAC PATRIMOINE FCP               | 17.000           | 10 548.84               |
| FR0010148981       | Carmignac Investissement FCP           | 2.000            | 2 226.34                |
| FR0010261198       | LYXOR ETF MSCI EUROPE D-EUR ETF        | 1.000            | 116.04                  |
| FR0010315770       | LYXOR ETF MSCI WORD FCP D              | 1.000            | 141.29                  |
| GB0030932676       | M+G I.(1)-M+G GBL BA.EO A              | 4.000            | 102.06                  |
| LU0006344922       | UBS(LUX)MNY MKT FD-EUR ACC.P           | 1.000            | 837.21                  |
| LU0006391097       | UBS LUX EQUITY FUND FCP - EU.OPP.      | 0.020            | 13.62                   |
| LU0033050237       | UBS (LUX) BOND FD-EUR P A              | 0.031            | 12.01                   |
| LU0040506734       | VONTOBEL-EM.MKTS EQU. A-USD            | 1.000            | 480.91                  |
| LU0048578792       | FID.FDS-EUROP.GWTH A GL.               | 4.000            | 51.08                   |
| LU0049842692       | UBS(L)EQ.-MD C. EUR P-ACC              | 0.031            | 23.23                   |
| LU0072462426       | BGF-GLOBAL ALLOCATION CLASS A2         | 1.000            | 41.36                   |
| LU0075056555       | BFG-World Mining Fund Class A2         | 1.000            | 28.84                   |
| LU0106280919       | SAUREN FDS SEL.-GLOB.OPP               | 3.000            | 73.08                   |
| LU0114760746       | F.TEM.INV-T.GWTH A ACC                 | 7.000            | 105.98                  |
| LU0115904467       | UNIEM Global Inh. A                    | 2.000            | 144.44                  |
| LU0130799603       | UBS LUX EQUITY GL INNOV.INH.ANT.B      | 1.000            | 63.57                   |
| LU0136412771       | Ethna-Aktiv E A                        | 1.000            | 133.05                  |
| LU0146463616       | Smart-Invest Helios AR B               | 1.000            | 49.14                   |
| LU0149168907       | PIONEER Investments total return       | 1.000            | 49.79                   |

| Identification no. | Fund name                              | Number of shares | Fair value in € million |
|--------------------|--|------------------|-------------------------|
| LU0153925689       | UBS (LUX) KEY-SEL. EQUITIES P-ACC      | 1.000            | 16.88                   |
| LU0159550150       | DJE - DIV.+SUBS.FDS.INH.P EUR          | 1.000            | 314.08                  |
| LU0164455502       | Carmignac PO.-Commod. NAM              | 1.000            | 286.75                  |
| LU0197216558       | UBS L KEY S.-Gbl. AL. EUR B            | 4 507.000        | 60 709.29               |
| LU0212925753       | BGF-Global Allocati                    | 2.000            | 68.96                   |
| LU0323578657       | FLOSSBACH-MULTIPLE OPPORTUNITIES R     | 1.000            | 203.25                  |
| LU0487186396       | UBS (LUX) BF-GLOBAL (CHF) (EUR HEDGED) | 1.000            | 117.38                  |
| LU0130729220       | PICTET_EMERGING MARKETS P USD          | 1.000            | 417.43                  |
| <b>Total</b>       |  | <b>4 576.129</b> | <b>78 333.45</b>        |

### To C. Receivables

To I. Amounts receivable from direct insurance operations from

#### 1. Policyholders

##### a) Claims due

These are any premiums in arrears which were due in 2014 but had not yet been paid on the balance sheet date. Mostly, they were received or offset in subsequent months.

##### b) Claims not yet due

This item shows the acquisition costs which incurred in the financial year or in the previous years that are covered according to actuarial assumptions but have not yet been repaid.

To III. Other receivables

| (in Euro)  | 2014              | 2013             |
|--|-------------------|------------------|
| Interest receivable due  | <b>2 076.67</b>   | 123.11           |
| Tax refund claims  | <b>169 640.05</b> | 15 919.90        |
| Receivables arising from the clearing transactions with affiliated companies | <b>338 212.79</b> | 9 054.85         |
| Other  | <b>106 224.71</b> | 11 531.31        |
| <b>Total</b>   | <b>616 154.22</b> | <b>36 629.17</b> |

## To E. Deferred items

To I. Accrued interest and rent

| (in Euro)  | 2014                | 2013                |
|--|---------------------|---------------------|
| Interest not yet due                             |                     |                     |
| ▪ Registered bonds                               | 781 142.32          | 580 855.19          |
| ▪ Bearer bonds and other fixed-income securities | 1 530 711.56        | 319 645.29          |
| ▪ Notes receivables and other loans              | 842 003.92          | 570 816.25          |
| ▪ Fixed deposits                                 | 12 777.78           | 12 777.78           |
| <b>Total</b>                                     | <b>3 166 635.58</b> | <b>1 484 094.51</b> |

## Liabilities

### To A. Investments

To I. Subscribed capital

Credit Life AG increased its share capital to carry out the mergers. This increase was made by the issue of 58 600 new registered shares to the amount of € 3 000 320.00 without additional payment. The share capital as at 31 December 2014 amounts to € 7 096 320.00 and is divided into 138 600 no-par shares.

RheinLand Holding Aktiengesellschaft, Neuss, holds 100% of our company's share capital.

### To B. Subordinated liabilities

In the scope of the merger, Credit Life AG took on two subordinated loans with a total value of € 1.5 million from Credit Life International N.V. These loans were previously issued by Rheinland Groep B.V., Amsterdam, and have an average interest rate of 7.2%.

### To C. Technical provisions

| (in Euro)  | 2014                  | 2014                  | 2013          |
|--|-----------------------|-----------------------|---------------|
| To I. Gross unearned premiums  |                       |                       |               |
| ▪ from direct operations   | <b>4 083 733.20</b>   |                       | 4 085 060.66  |
| of which: Share in reinsurance   | <b>1 771 524.55</b>   | <b>2 312 208.65</b>   | 1 617 105.34  |
| To II. Gross provision for life insurance  |                       |                       |               |
| ▪ from direct operations   | <b>162 509 722.52</b> |                       | 69 054 887.53 |
| of which: Share in reinsurance   | <b>62 079 131.78</b>  | <b>100 430 590.74</b> | 6 066 863.53  |
| To III. Provision for outstanding insurance claims                                 |                       |                       |               |
| ▪ from direct operations   | <b>18 591 952.36</b>  |                       | 2 458 937.34  |
| of which: Share in reinsurance   | <b>14 822 884.13</b>  | <b>3 769 068.23</b>   | 1 192 206.99  |
| To IV. Provision for performance-based and non-performance-based premium refunding |                       |                       |               |
| ▪ from direct operations   | <b>8 688 247.37</b>   |                       | 9 356 258.88  |
| of which: Share in reinsurance   | <b>0.00</b>           | <b>8 688 247.37</b>   | 0.00          |
| To V. Other technical provisions   |                       |                       |               |
| ▪ from direct operations   | <b>875 000.01</b>     |                       | 0.00          |
| of which: Share in reinsurance   | <b>-875 000.02</b>    | <b>-0.01</b>          | 0.00          |
| <b>Total</b>   |                       | <b>115 200 114.98</b> | 76 078 968.55 |

### To IV. Provision for performance-based and non-performance-based premium refunding

| (in Euro)  | 2014                | 2013         |
|--|---------------------|--------------|
| As at 01.01                                      | <b>9 356 258.88</b> | 9 311 085.67 |
| Reclassifications in the financial year          | <b>28 743.03</b>    |              |
| Withdrawal in the financial year                 | <b>1 783 181.81</b> | 1 633 898.43 |
|  | <b>7 601 820.10</b> | 7 677 187.24 |
| Allocation from the profit of the financial year | <b>1 086 427.27</b> | 1 679 071.64 |
| <b>As at 31.12</b>                               | <b>8 688 247.37</b> | 9 356 258.88 |

The provision only refers to the performance-based premium refunding. The following allocations are made for 2015 with regard to the provision for premium refunding:

| (in Euro)  |                     |
|--|---------------------|
| a. to regular profit shares already defined but not yet allocated  | 2 711 074.32        |
| b. to terminal dividends and final payments already defined but not yet allocated  | 272 327.89          |
| c. to premiums for the share in valuation reserves already defined but not yet allocated   | 0.00                |
| d. to the share of the terminal dividend fund which is allocated for the financing of bonus annuities  | 0.00                |
| e. to the share of the terminal dividend fund which is allocated for the financing of terminal dividends and final payments but without any amounts according to letters b and d | 1 271 149.73        |
| f. to the unattached share (provision for premium refunding without letters a to e)  | 4 433 695.43        |
| <b>Total</b>   | <b>8 688 247.37</b> |

For the existing contracts, a sufficient amount of the sum committed to the terminal dividend fund amounting to € 1 271 149.89 was calculated according to a business plan approved by the Federal Financial Supervisory Authority for the pre-existing assets and according to Section 28 RechVersV pursuant to the actuarial principles for the new portfolio.

#### To E. Other provisions

The provision for corporation tax encompasses provisions amounting to € 1 923.17 and a provision for trade tax amounting to € 1 332.00 for the financial year 2012.

The other provisions consist of € 190 971.68 for third party services, € 152 670.00 for the costs of preparing the Financial Statements, € 15 476.66 for commission payments, and € 130 425.00 for other provisions.

#### To F. Other liabilities

To I. Liabilities arising out of direct insurance operations from:

##### 1. Policyholders

| (in Euro)   | 2014                | 2013                |
|---|---------------------|---------------------|
| Accumulated interest-bearing profit shares                    | 4 714 941.70        | 4 578 452.35        |
| Profit shares arising from the reserve for outstanding claims | 10 380.77           | 1 162.21            |
| Prepaid insurance premiums                                    | 1 148 826.73        | 153 126.67          |
| Other liabilities towards the policyholder                    | 2 527 069.64        | 0.00                |
| <b>Total</b>  | <b>8 401 218.84</b> | <b>4 732 741.23</b> |

To III. Other liabilities

| (in Euro)  | 2014                | 2013         |
|--|---------------------|--------------|
| Amounts payable from the clearing transactions with affiliated companies | <b>6 084 936.38</b> | 875 025.33   |
| Trade accounts payable   | <b>191 894.47</b>   | 50 744.07    |
| Tax liabilities  | <b>80 964.38</b>    | 0.00         |
| other  | <b>341 550.56</b>   | 77 772.65    |
| <b>Total</b>   | <b>6 699 345.79</b> | 1 003 542.05 |

## Explanatory Notes on Profit and Loss Account

### To I. 1 Net premiums earned

a) Gross premiums entered

The premiums including ancillary services concern individual capital insurances and annuity insurances and are divided as follows:

| (in Euro)   | 2014                 |                      | 2013             |                 |
|---|----------------------|----------------------|------------------|-----------------|
|   | Regular premiums     | Single premiums      | Regular premiums | Single premiums |
| Direct insurance operations                               | <b>29 780 909.27</b> | <b>41 015 111.96</b> | 25 969 460.76    | 2 781 345.47    |
|   | <b>70 796 021.23</b> |                      | 28 750 806.23    |                 |
| Change in the general valuation adjustment for claims due | <b>- 6 777.00</b>    |                      | 285.00           |                 |
| <b>Total</b>  | <b>70 789 244.23</b> |                      | 28 751 091.23    |                 |

In the financial year, the regular premiums contain premiums for fund-linked life insurances (Germany PENSION) amounting to € 219 337.91 (previous year: € 215 499.52).

With regard to contracts without participation in profits, the regular premiums contain € 2 383 657.98 and the single premiums € 40 994 620.88.

In the reporting year, the premium amount of the redeemed new business amounts to € 186 657 363.44 (previous year: € 47 840 924,53).

### To I. 3 Investment income

#### a) Income from other investments

| (in Euro)  | 2014                | 2013                |
|--|---------------------|---------------------|
| Interest and similar income from                                     |                     |                     |
| ▪ Shares, investment shares and other non-fixed-income securities    | 194 068.51          | 96 859.53           |
| ▪ Bearer bonds and other fixed-income securities                     | 3 054 601.47        | 743 374.43          |
| ▪ Claims arising from a mortgage, a land charge or an annuity charge | 472.08              | 1 761.62            |
| ▪ Registered bonds   | 1 805 566.02        | 1 142 766.65        |
| ▪ Notes receivables  | 2 515 256.42        | 1 386 661.75        |
| ▪ Loans and advance payments with regard to insurance certificates   | 12 071.98           | 12 266.09           |
| ▪ Other loans  | 30 175.47           | 32 287.70           |
| ▪ Deposits at banks  | 69 747.10           | 40 555.56           |
| ▪ Other income   | 0.00                | 389.94              |
| <b>Total</b>   | <b>7 681 959.05</b> | <b>3 456 923.27</b> |

#### c) Gains from the termination of investments

| (in Euro)         | 2014              | 2013              |
|-------------------|-------------------|-------------------|
| Investment shares | 71 844.47         | 13 124.80         |
| Bearer bonds      | 605 775.78        | 33 122.00         |
| Registered bonds  | 0.00              | 84 633.78         |
| <b>Total</b>      | <b>677 620.25</b> | <b>130 880.58</b> |

#### To I. 5 Other net technical income

| (in Euro)   | 2014                 | 2013            |
|---|----------------------|-----------------|
| Increase in the policyholders' capitalised claims not yet due | 2 316 583.15         | 0.00            |
| other   | 11 433 113.58        | 1 303.58        |
| <b>Total</b>  | <b>13 749 696.73</b> | <b>1 303.58</b> |

The remaining € 11.4 million in other net technical income primarily results from the redemption of the reinsurance contract with RheinLand Lebensversicherung AG to the amount of € 11 183 123.41, which compares with expenses to the same amount which result from the change in the actuarial reserve.

### To I. 6 Net costs for insurance claims

#### a) Insurance claims

| (in Euro)  | 2014                 | 2013                |
|--|----------------------|---------------------|
| Direct insurance operations  | 58 313 946.60        | 6 445 989.30        |
| less the proportion of the reinsurers of direct insurance operations | 43 814 255.25        | 1 486 406.13        |
| <b>Total</b>   | <b>14 499 691.35</b> | <b>4 959 583.17</b> |

#### b) Change in the provision for outstanding insurance claims

| (in Euro)   | 2014              | 2013              |
|---|-------------------|-------------------|
| Direct insurance operations   | 619 239.51        | 739 745.68        |
| Change in the proportion of the reinsurers of direct insurance operations | 342 114.47        | - 469 578.58      |
| <b>Total</b>  | <b>961 353.98</b> | <b>270 167.10</b> |

### To I. 12 Other net technical costs

| (in Euro)   | 2014                 | 2013                 |
|---|----------------------|----------------------|
| Direct credit (premium set-off)   | 12 066 627.75        | 11 903 190.64        |
| Actuarial interest rates  | 160 797.98           | 160 578.92           |
| Interest in deposits resulting from reinsurance business  | 2 375 109.10         | 229 564.87           |
| Reduction in the capitalised claims from policyholders not yet due  | 41 259.37            | 391 047.73           |
| Costs arising from the increase in general loan loss provisions for claims not yet due from policyholders | 8 887.28             | 0.00                 |
| other   | 106 994.53           | 10 166.66            |
| <b>Total</b>  | <b>14 759 676.01</b> | <b>12 694 548.82</b> |

In the financial year, reinsurance balance arising from the reinsurance business amounts to € -18 617 290.41 (previous year: € -1 221 822.43). The high negative reinsurance balance is based on the redemption of the two reinsurance contracts with RheinLand Leben and RheinLand Versicherung. This compares with € 11 342 023.69 in income from the redemption of the reinsurance contracts which are shown in the other technical income.

## To II. 1. Other income

| (in Euro)  | 2014                 | 2013              |
|--|----------------------|-------------------|
| Income from services rendered for other companies    | 11 938 353.82        | 145 767.46        |
| Interest income                                      | 56 386.42            | 17 593.70         |
| Income from the reversal of non-technical provisions | 23 202.58            | 13 391.55         |
| Other items  | 288 706.29           | 636.74            |
| <b>Total</b>   | <b>12 306 649.11</b> | <b>177 389.45</b> |

## To II. 2. Other costs

| (in Euro)   | 2014                 | 2013              |
|---|----------------------|-------------------|
| Services rendered for other companies             | 11 938 353.82        | 145 767.46        |
| Costs to prepare the Financial Statements         | 162 497.23           | 69 954.12         |
| Supervisory Board remuneration (group overheads)  | 17 655.00            | 12 210.00         |
| Legal consultancy fees and other consultancy fees | 318 084.83           | 43 168.06         |
| Interest costs                                    | 230 236.26           | 117 703.87        |
| other   | 2 586 772.96         | 16 351.89         |
| <b>Total</b>                                      | <b>15 253 600.10</b> | <b>405 155.40</b> |

The other costs generally consist of costs for the company as a whole (€ 2 175 k).

## To II. 4. Tax on income and profit

| (in Euro)                      | 2014                | 2013              |
|--------------------------------|---------------------|-------------------|
| Corporation tax                | 2 425 994.65        | 143 683.90        |
| ▪ of which from previous years | 2 490.65            | 135.00            |
| Solidarity surcharge           | 9 303.00            | 7 790.92          |
| ▪ of which from previous years | 643.00              | - 225.00          |
| Trade income tax               | 180 879.50          | 154 840.00        |
| ▪ of which from previous years | 13 338.50           | 1 296.00          |
| <b>Total</b>                   | <b>2 616 177.15</b> | <b>306 314.82</b> |

Commissions and other remunerations of the intermediaries, personnel costs

| (in Euro)  | 2014                 | 2013         |
|--|----------------------|--------------|
| Commissions of all kinds for intermediaries within the meaning of Section 92 HGB for direct insurance operations | <b>16 667 767.87</b> | 1 805 082.66 |
| Other remuneration for intermediaries within the meaning of Section 92 HGB                                       | <b>72 151.75</b>     | 29 012.00    |
| Wages and salaries   | <b>1 348 088.26</b>  | –            |
| Social contributions and costs for support   | <b>177 077.23</b>    | –            |
| <b>Costs total</b>   | <b>18 265 085.11</b> | 1 834 094.66 |

## Other information

### Staff

With regard to office work, the companies of RheinLand Versicherungsgruppe are mainly managed in bureau companies. We do not employ own staff. The aforementioned cost of the wages and salaries regard the Dutch employees who were transferred to RheinLand Versicherungs AG in the scope of the merger.

The remuneration for the Supervisory Board was paid by RheinLand Holding AG. The company has not incurred any direct costs for the Supervisory Board. No loans were granted to the Supervisory Board and the Executive Board.

The Executive Board and Supervisory Board members are listed by name on page 5.

### Further Information

The company is included in the consolidated financial statements of RheinLand Holding AG, Neuss, which is published in the electronic Federal Gazette. According to Section 291 HGB, we are exempt from the obligation to prepare consolidated financial statements and a Group management report.

Pursuant to Section 285 No. 17 HGB, information about the auditor's fee is provided – with exempting effect – in the consolidated financial statements of RheinLand Holding AG.

## Financial Obligations

Based on the legal requirements set out in Sections 124 et seqq. VAG, the life insurers are obliged to become a member of a protection fund.

Based on the Sicherungsfonds-Finanzierungs-Verordnung (Leben) (SichLVFFinV) [Protection Fund Financing Directive], the protection fund levies premiums of no more than 0.2% of the net technical provisions on an annual basis until coverage assets amounting to 1% of the total of net technical provisions have been accumulated. The resulting future obligations amount to € 24 k for the company. Furthermore, the protection fund may levy special premiums amounting to another 1% of the total of net technical provisions; this corresponds to an obligation of € 115 k.

In addition, the company undertook to make available financial funds to the protection funds or, alternatively, to Protektor Lebensversicherungs-AG if the financial resources available in the protection fund are not sufficient in the event of a company in need of restructuring.

The obligation amounts to 1% of the sum of net technical provisions taking into account the premiums which have already been paid to the protection fund at this date. Including the above payment obligations which arise from the premium payments into the premium fund, the total commitment amounts to € 1 061 k at the balance sheet date.

There are no liabilities arising from the acceptance or issue of bills of exchange to banks, from corporate saving schemes and from guarantee and warranty agreements as well as other liabilities which are not evident from the balance sheet.

## Policyholders' Profit Share for 2015

### 1. Allocation of tariffs

#### Contracts concluded prior to 1 January 1995:

The tariffs are summarised in tariff groups; the tariff groups are again summarised in settlement classes. The allocation of the tariffs to the tariff groups and settlement classes is shown in the following table.

| Settlement class | Tariff group | Tariff                                 |
|------------------|--------------|--|
| 1                | BO           | M01, M02, M03, M04, F01, F02, F03      |
|                  | EO           | M10, M12, M14, M20, M22, F10, F12, F14 |
| 5                | BUZ          | B, BR, BR1, BR/..                      |

### Contracts concluded after 1 January 1995:

The tariffs are summarised in profit classes; the profit classes are again summarised in portfolio categories. The allocation of tariffs to the profit classes and portfolio categories is shown in the following table.

| Tariff group                 | Settlement class | Tariff                                 |
|------------------------------|------------------|--|
| Cash value<br>life insurance | GL95             | M01, M02, M03, M04, F01, F02, F03      |
|                              | GL96             | M42, M43, M44, F42, F43                |
|                              | GL2000           | M62, M63, M64, F62, F63                |
|                              | GL2004           | M82, M83, M84, F82, F83                |
|                              | GL2007           | KGO07                                  |
|                              | GL2008           | KGO08                                  |
| Risk insurance               | EO95             | M10, M12, M14, M20, M22, F10, F12, F14 |
|                              | Ris95            | M30, M32, M34, F30, F32, F34           |
|                              | Ris99            | M50, M52, M54, F50, F52, F54           |
|                              | Ris2004          | M70, M72, M74, F70, F72                |
|                              | Ris2005NR        | M90, M92, F90, F92                     |
|                              | Ris2005R         | M91, M93, F91, F93                     |
|                              | Ris2007NR        | TGNO07, TFNO07                         |
|                              | Ris2007R         | TGRO07, TFRO07                         |
|                              | Ris2008NR        | TGNO08, TFNO08                         |
|                              | Ris2008R         | TGRO08, TFRO08                         |
|                              | Ris2009NR        | TGNO09, DTGNO09                        |
|                              | Ris2009R         | TGRO09, DTGRO09                        |
|                              | Ris2012NR        | TGNO12, DTGNO12                        |
|                              | Ris2012R         | TGRO12, DTGRO12                        |
|                              | Ris2013NR        | TGNO13, DTGNO13                        |
|                              | Ris2013R         | TGRO13, DTGRO13                        |
|                              | Ris2015NR        | TGNO15, DTGNO15                        |
|                              | Ris2015R         | TGRO15, DTGRO15                        |
| Disability insurances        | SBU2014          | BEA14                                  |
|                              | SBU2015          | BEA15                                  |
| 131*                         |                  | DR08, DR09, DR12, DR13, DR15           |

| Tariff group  | Settlement class | Tariff            |
|---------------|------------------|-------------------|
| 247 NL branch | KAP04            | KG04              |
|               | KAP05            | KG05              |
|               | REN04            | RA04              |
|               | REN05            | RA05              |
|               | STE05            | ST05              |
|               | RIN05            | TGN05             |
|               | RIR05            | TGR05             |
| BUZ           | BUZ95            | B, BR, BR1, BR/.. |
|               | BUZ97            | BU, BU1, BUL      |
|               | BUZ2000          | BZ, BZ1, BZL      |
|               | BUZ2004          | BG, BG1, BGL      |
|               | BUZ2007          | BUSO07, BUPO07    |
|               | BUZ2008          | BUSO08, BUPO08    |
|               | BUZ2009          | BUPO09            |
|               | BUZ2012          | BUPO12            |
|               | BUZ2013          | BUPO13            |
|               | BUZ2015          | BUPO15            |
|               | EU07             | EU07              |
|               | EU08             | EU08              |
|               | EU09             | EU009, E3009      |
|               | EU12             | EU012, E3012      |
|               | EU13             | EU013, E3013      |

\* Life insurance where the investment risk is borne by the policyholder.

## 2. General

### 2.1 Direct credit

For 2015, no directly credited interest is granted for the net interest income share and for the accumulated interest-bearing profit credit balance.

The direct credit for the tariff groups EO and BUZ and the profit classes Ris2015NR, Ris2015R, Ris2013NR, Ris2013R, Ris2012NR, Ris2012R, Ris2009NR, Ris2009R, Ris2008NR, Ris2008R, Ris2007NR, Ris2007R, Ris2005NR, Ris2005R, Ris2004, Ris99, Ris95, EO95, BUZ95, BUZ97, BUZ2000, BUZ2004, BUZ2007, BUZ2008, BUZ2009, BUZ2012, BUZ2013, BUZ2015, EU07, EU08, EU09, EU12 and EU13 amounts to 80% of the profit shares which are assessed according to the premium.

The direct credit is offset against the profit share percentages stated.

## 2.2 Annual profit share

The individual insurance policy contains regular profit shares at the beginning of each insurance year; for the first time following the expiry of the contractual qualifying period. The qualifying period for contracts commenced in 2015 is one year; there is no qualifying period for contracts of the profit classes Ris95, Ris99, Ris2004, Ris2005NR, Ris2005R, Ris2007NR, Ris2007R, Ris2008NR, Ris2008R, Ris2009NR, Ris2009R, Ris2012NR, Ris2012R, Ris2013NR, Ris2013R, Ris2015NR, Ris2015R, EO95, BUZ95, BUZ97, BUZ2000, BUZ2004, BUZ2007, BUZ2008, BUZ2009, BUZ2012, BUZ2013, BUZ2015, EU07, EU08, EU09, EU12, EU13 as well as the tariff groups EO and BUZ. Contracts concluded in the tariff groups BO and the profit classes GL95, GL96, GL2000, GL2004, GL2007, GL2008 KAP04, KAP05, REN04, REN05 and STE05 once again encompass regular profit shares following the expiry of the contract.

## 2.3 Interest-bearing accumulation of profit shares

Insurances of which the profit shares are accumulated on an interest-bearing basis encompass an accumulated profit share alongside the actuarial interest rate, so that 2.80% interest is paid in the 247 NL subsidiary group of stocks and 3.5% interest is paid on all the other groups of stocks. With regard to insurances for which a 3.00% actuarial interest rate is paid, the full actuarial interest rate is paid on the accumulated balance; the accumulated profit share is not applicable.

## 2.4 Increase in the benefits paid resulting from profit shares

With regard to insurances of which the profit shares are used to increase the benefit paid (bonus), the bonus amounts participate in the profit in the same way as premium-free contracts.

## 2.5 Terminal dividends

Insurances with regard to which the terminal dividends are declared encompass these dividends for insurance years which are completed prior to reaching the age of 66. Insurances of profit class GL2008 contain terminal dividends regardless of the age.

The terminal dividends are due in 2015 if the term of insurance of the contract terminates in this year (profit classes GL2007, GL2008) and/or if the agreed premium payment period of the contract terminates (tariff group BO, profit classes GL95, GL96, GL2000 and GL2004).

A reduced amount will become due in 2015 if, in this year,

- the policyholder dies,
- premature notice of termination for the contract is given no earlier than after one third (max. 10 years) of the agreed term of insurance (profit classes GL2007, GL2008) and/or premium payment period (tariff group BO, profit classes GL95, GL96, GL2000 and GL2004).

## 2.6 Participation in valuation reserves

Valuation reserves are allocated to the insurance policies. The share for each insurance is determined every year on the key date (31/12) as the proportion of the sum of coverage capitals and balances of the last 10 years at the respective balance sheet dates – no earlier than from the beginning of the insurance – which is allocated to the insurance to the total of this size across all eligible insurances. At the time of the notice of termination for the contract being given, the share calculated at the last key date on a contract-by-contract basis of at least 50% of the currently calculated valuation reserves of the investments is paid out which must be taken into account for the policyholders' share. According to Section 56a VAG, the claim for participation in the valuation reserves occurs in consideration of the hedging requirement.

The valuation reserves are calculated on the third trading day of the previous month; if significant fluctuations in the stock market and/or in the interest development arise up to the payout date, the valuation reserves will be recalculated. If notice of termination for an insurance policy is given and if it takes effect on the same day or at an earlier date, the valuation reserves are calculated on the third trading day of the previous month in which the notice of termination becomes effective. During the period in which annuity payments are received, annuity insurances participate in the valuation reserves according to a procedure based on Section 153 Para. 3 VVG. If the policyholder is alive on the anniversary of the beginning of the annuity payments, during the period in which annuity payments are received, 50% of the share of the insurance in the valuation reserves of investments are allocated and paid out which must be taken into account for the policyholder's share. In this respect, valuation reserves are financed via a withdrawal from the provision for premium refunding (RfB).

The share in the valuation reserves is reduced if valuation reserves must be estimated for meeting the equity requirements pursuant to Section 53 c VAG and of the Kapitalausstattungsverordnung [Capital Resources Regulation] and if the valuation reserves available are likely to diminish to such an extent due to the granted share in the valuation reserves that the equity requirements can no longer be met. Furthermore, a reduction of the share in valuation reserves may be considered if the outcome of the stress tests required by the Federal Financial Supervisory Authority (BaFin), minus the share in valuation reserves, is negative.

### 3. Profit share percentages of 2015

#### Cash value life insurances

| TG/GV  | Contract status | M/F | Interest profit |        | Basic profit |        | Cost profit |        | Risk profit |        |
|--------|-----------------|-----|-----------------|--------|--------------|--------|-------------|--------|-------------|--------|
|        |                 |     | Rate            | BezGr. | Rate         | BezGr. | Rate        | BezGr. | Rate        | BezGr. |
| BO     | bpfl            |     | 0.00%           | DK     | 0.10%        | VS     | –           | –      | 56%         | iRB    |
|        | bfr             |     | 0.00%           | DK     | –            | –      | –           | –      | 56%         | iRB    |
| GL95   | bpfl            |     | 0.00%           | DK     | 0.10%        | VS     | –           | –      | 56%         | iRB    |
|        | bfr             |     | 0.00%           | DK     | –            | –      | –           | –      | 56%         | iRB    |
| GL96   | bpfl            | F   | 0.00%           | DK     | 0.05%        | VS     | –           | –      | 54%         | iRB    |
|        | bpfl            | M   | 0.00%           | DK     | 0.05%        | VS     | –           | –      | 62%         | iRB    |
|        | bfr             | F   | 0.00%           | DK     | –            | –      | –           | –      | 54%         | iRB    |
|        | bfr             | M   | 0.00%           | DK     | –            | –      | –           | –      | 62%         | iRB    |
| GL2000 | bpfl            | F   | 0.00%           | MDK    | –            | –      | 1.50%       | üJB    | 54 %        | iRB    |
|        | bpfl            | M   | 0.00%           | MDK    | –            | –      | 1.50%       | üJB    | 62%         | iRB    |
|        | bfr             | F   | 0.00%           | MDK    | –            | –      | –           | –      | 54%         | iRB    |
|        | bfr             | M   | 0.00%           | MDK    | –            | –      | –           | –      | 62%         | iRB    |
| GL2004 | bpfl            | F   | 0.25%           | MDK    | –            | –      | 1.50%       | üJB    | 54%         | iRB    |
|        | bpfl            | M   | 0.25%           | MDK    | –            | –      | 1.50%       | üJB    | 62%         | iRB    |
|        | bfr             | F   | 0.25%           | MDK    | –            | –      | –           | –      | 54%         | iRB    |
|        | bfr             | M   | 0.25%           | MDK    | –            | –      | –           | –      | 62%         | iRB    |
| GL2007 | bpfl            | F   | 0.75%           | MDK    | –            | –      | 1.50%       | üJB    | 54%         | iRB    |
|        | bpfl            | M   | 0.75%           | MDK    | –            | –      | 1.50%       | üJB    | 62%         | iRB    |
|        | bfr             | F   | 0.75%           | MDK    | –            | –      | –           | –      | 54%         | iRB    |
|        | bfr             | M   | 0.75%           | MDK    | –            | –      | –           | –      | 62%         | iRB    |

| TG/GV  | Contract status | M/F | Interest profit |        | Basic profit |        | Cost profit |        | Risk profit |        |
|--------|-----------------|-----|-----------------|--------|--------------|--------|-------------|--------|-------------|--------|
|        |                 |     | Rate            | BezGr. | Rate         | BezGr. | Rate        | BezGr. | Rate        | BezGr. |
| GL2008 | bpfl            | F   | 0.75%           | MDK    | –            | –      | 1.50%       | üJB    | 54%         | iRB    |
|        | bpfl            | M   | 0.75%           | MDK    | –            | –      | 1.50%       | üJB    | 62%         | iRB    |
|        | bfr             | F   | 0.75%           | MDK    | –            | –      | –           | –      | 54%         | iRB    |
|        | bfr             | M   | 0.75%           | MDK    | –            | –      | –           | –      | 62%         | iRB    |
| KA P04 | bpfl            |     | 0.029%          | VS     | –            | –      | –           | –      | 0.001%      | VS     |
|        | bfr             |     | 0.024%          | VS     | –            | –      | –           | –      | 0.001%      | VS     |
| KA P05 | bpfl            |     | 0.05%           | MDK    | –            | –      | –           | –      | –           | –      |
|        | bfr             |     | 0.05%           | MDK    | –            | –      | –           | –      | –           | –      |
| ST E05 | bpfl            |     | 0.05%           | MDK    | –            | –      | –           | –      | –           | –      |
|        | bfr             |     | 0.05%           | MDK    | –            | –      | –           | –      | –           | –      |

#### Contract status:

bpfl = contracts liable to premiums  
bfr = premium-free contracts

#### Reference values (BezGr.):

VS = insured amount  
üJB = annual premium eligible for profit  
iRB = individual risk premium  
DK = capital sum required as cover  
MDK = actuarial average capital sum required as cover (discounted at the beginning of the insurance year)

#### Type of appropriation:

Depending on the agreement, the profit shares are accrued on an interest-bearing basis or are used to increase the insured amount (bonus).

### Annuity insurances (hybrid)

| BG  | Tar-iffs | Con-tract status | Interest profit |        | Fund cost profit |        | Terminal profit "inter-est" |        | Terminal profit "fund costs" |        | Basic profit |        | Risk profit |        |
|-----|----------|------------------|-----------------|--------|------------------|--------|-----------------------------|--------|------------------------------|--------|--------------|--------|-------------|--------|
|     |          |                  | Rate            | BezGr. | Rate             | BezGr. | Rate                        | BezGr. | Rate                         | BezGr. | Rate         | BezGr. | Rate        | BezGr. |
| 131 | DR08     | bpfl             | 0.375%          | (1)    | 0.2125%          | (2)    | 0.375%                      | (3)    | 0.2125%                      | (3)    | 0.00%        | (4)    | 0%          | (5)    |
|     |          | bfr              | 0.375%          | (1)    | 0.2125%          | (2)    | 0.375%                      | (3)    | 0.2125%                      | (3)    | 0.00%        | (4)    | 0%          | (5)    |
|     |          | lfdR             | 0.700%          | (1)    | –                | –      | –                           | –      | –                            | –      | –            | –      | –           | –      |
| 131 | DR09     | bpfl             | 0.375%          | (1)    | 0.2125%          | (2)    | 0.375%                      | (3)    | 0.2125%                      | (3)    | 0.00%        | (4)    | 0%          | (5)    |
|     |          | bfr              | 0.375%          | (1)    | 0.2125%          | (2)    | 0.375%                      | (3)    | 0.2125%                      | (3)    | 0.00%        | (4)    | 0%          | (5)    |
|     |          | lfdR             | 0.700%          | (1)    | –                | –      | –                           | –      | –                            | –      | –            | –      | –           | –      |
| 131 | DR12     | bpfl             | 0.625%          | (1)    | 0.2125%          | (2)    | 0.625%                      | (3)    | 0.2125%                      | (3)    | 0.00%        | (4)    | 0%          | (5)    |
|     |          | bfr              | 0.625%          | (1)    | 0.2125%          | (2)    | 0.625%                      | (3)    | 0.2125%                      | (3)    | 0.00%        | (4)    | 0%          | (5)    |
|     |          | lfdR             | 1.200%          | (1)    | –                | –      | –                           | –      | –                            | –      | –            | –      | –           | –      |
| 131 | DR13     | bpfl             | 0.625%          | (1)    | 0.2125%          | (2)    | 0.625%                      | (3)    | 0.2125%                      | (3)    | 0.00%        | (4)    | 0%          | (5)    |
|     |          | bfr              | 0.625%          | (1)    | 0.2125%          | (2)    | 0.625%                      | (3)    | 0.2125%                      | (3)    | 0.00%        | (4)    | 0%          | (5)    |
|     |          | lfdR             | 1.200%          | (1)    | –                | –      | –                           | –      | –                            | –      | –            | –      | –           | –      |
| 131 | DR15     | bpfl             | 0.875%          | (1)    | 0.2125%          | (2)    | 0.875%                      | (3)    | 0.2125%                      | (3)    | 0.00%        | (4)    | 0%          | (5)    |
|     |          | bfr              | 0.875%          | (1)    | 0.2125%          | (2)    | 0.875%                      | (3)    | 0.2125%                      | (3)    | 0.00%        | (4)    | 0%          | (5)    |
|     |          | lfdR             | 1.700%          | (1)    | –                | –      | –                           | –      | –                            | –      | –            | –      | –           | –      |

#### Contract status:

bpfl = contracts liable to premiums

bfr = premium-free contracts

lfdR = regular annuities

#### Reference values (BezGr.):

- (1) During the deferral period, the reference value of the interest profit is the classic day-weighted capital sum required as cover and/or the day-weighted interest-bearing reserve account. During the period in which annuity payments are received, the reference value is the classic capital sum required as cover at the beginning of the insurance year.
- (2) The reference value of the fund cost profit is the fund assets available at the beginning of the month (after premiums for additional insurances included have been withdrawn). The fund cost profit is irrevocably allocated to the fund assets in arrears on a monthly and a pro rata (0.0177%) basis.
- (3) The reference value of the terminal dividend "interest" is the classic day-weighted capital sum required as cover and/or the day-weighted interest-bearing reserve account; the reference value of the terminal dividend "fund costs" is the fund assets available at the beginning of the month (after premiums for additional insurances included have been withdrawn). The entire terminal dividend is irrevocably allocated to the terminal dividend balance in arrears on a monthly and a pro rata basis. An annual 4.31% interest is paid on the accumulated terminal dividend balance up to the earliest starting date for annuity payments being received, but at most until the age of 60; otherwise a 2.96% interest is paid. The amount of the terminal dividends due at the end of the deferral period is revocable and cannot be guaranteed. In the event of death or surrender in 2015, pro rata terminal dividends shall become due in line with the rules set out in the business plan.
- (4) The reference value of the basis profit is the premium amount eligible for profit.
- (5) The reference value of the risk profit is the individual risk premium.

### Risk insurances

| TG/GV            | Contract status  | M/F  | Smoker/<br>Non-smoker | Meas-<br>ured | Interest profit |        | add profit share |        | Premium set-off |        | Death bonus |        |
|------------------|------------------|------|-----------------------|---------------|-----------------|--------|------------------|--------|-----------------|--------|-------------|--------|
|                  |                  |      |                       |               | Rate            | BezGr. | Rate             | BezGr. | Rate            | BezGr. | Rate        | BezGr. |
| EO               | bpfl             |      |                       |               | –               | –      | –                | –      | 63%             | üB     | 170%        | VS     |
|                  | bfr Abl          |      |                       |               | –               | –      | 63%              | üB(vV) | –               | –      | 170%        | VS     |
|                  | bfr i Tod        |      |                       |               | 0.00%           | DK     | –                | –      | –               | –      | –           | –      |
|                  | bfr (EB, Einst.) |      |                       |               | –               | –      | –                | –      | –               | –      | 170%        | VS     |
| EO95             | bpfl             |      |                       |               | –               | –      | –                | –      | 58%             | üB     | 138%        | VS     |
|                  | bfr Abl          |      |                       |               | –               | –      | 63%              | üB(vV) | –               | –      | 138%        | VS     |
|                  | bfr i Tod        |      |                       |               | 0.00%           | DK     | –                | –      | –               | –      | –           | –      |
|                  | bfr (EB, Einst.) |      |                       |               | –               | –      | –                | –      | –               | –      | 138%        | VS     |
| Ris95            | bpfl             | F    | Smoker                |               | –               | –      | –                | –      | 40%             | üB     | 67%         | VS     |
|                  | bpfl             | F    | Non-smoker            |               | –               | –      | –                | –      | 56%             | üB     | 127%        | VS     |
|                  | bpfl             | M    | Smoker                |               | –               | –      | –                | –      | 42%             | üB     | 72%         | VS     |
|                  | bpfl             | M    | Non-smoker            |               | –               | –      | –                | –      | 60%             | üB     | 150%        | VS     |
|                  | bfr Abl          | F    | Smoker                |               | –               | –      | 40%              | üB(vV) | –               | –      | 67%         | VS     |
|                  | bfr Abl          | F    | Non-smoker            |               | –               | –      | 56%              | üB(vV) | –               | –      | 127%        | VS     |
|                  | bfr Abl          | M    | Smoker                |               | –               | –      | 42%              | üB(vV) | –               | –      | 72%         | VS     |
|                  | bfr Abl          | M    | Non-smoker            |               | –               | –      | 60%              | üB(vV) | –               | –      | 150%        | VS     |
|                  | bfr i Tod        |      |                       |               | 0.00%           | DK     | –                | –      | –               | –      | –           | –      |
|                  | bfr (EB, Einst.) | F    | Smoker                |               | –               | –      | –                | –      | –               | –      | 67%         | VS     |
|                  | bfr (EB, Einst.) | F    | Non-smoker            |               | –               | –      | –                | –      | –               | –      | 127%        | VS     |
|                  | bfr (EB, Einst.) | M    | Smoker                |               | –               | –      | –                | –      | –               | –      | 72%         | VS     |
|                  | bfr (EB, Einst.) | M    | Non-smoker            |               | –               | –      | –                | –      | –               | –      | 150%        | VS     |
|                  | Ris99            | bpfl | F                     | Smoker        |                 | –      | –                | –      | –               | 32%    | üB          | 47%    |
| bpfl             |                  | F    | Non-smoker            |               | –               | –      | –                | –      | 53%             | üB     | 113%        | VS     |
| bpfl             |                  | M    | Smoker                |               | –               | –      | –                | –      | 32%             | üB     | 47%         | VS     |
| bpfl             |                  | M    | Non-smoker            |               | –               | –      | –                | –      | 57%             | üB     | 133%        | VS     |
| bfr Abl          |                  | F    | Smoker                |               | –               | –      | –                | –      | –               | –      | 47%         | VS     |
| bfr Abl          |                  | F    | Non-smoker            |               | –               | –      | –                | –      | –               | –      | 113%        | VS     |
| bfr Abl          |                  | M    | Smoker                |               | –               | –      | –                | –      | –               | –      | 47%         | VS     |
| bfr Abl          |                  | M    | Non-smoker            |               | –               | –      | –                | –      | –               | –      | 133%        | VS     |
| bfr i Tod        |                  |      |                       |               | 0.00%           | DK     | –                | –      | –               | –      | –           | –      |
| bfr (EB, Einst.) |                  | F    | Smoker                |               | –               | –      | –                | –      | –               | –      | 47%         | VS     |
| bfr (EB, Einst.) |                  | F    | Non-smoker            |               | –               | –      | –                | –      | –               | –      | 113%        | VS     |
| bfr (EB, Einst.) |                  | M    | Smoker                |               | –               | –      | –                | –      | –               | –      | 47%         | VS     |
| bfr (EB, Einst.) |                  | M    | Non-smoker            |               | –               | –      | –                | –      | –               | –      | 133%        | VS     |

| TG/GV     | Contract status  | M/F  | Smoker/ Non-smoker | Measured | Interest profit |        | add profit share |        | Premium set-off |        | Death bonus |        |
|-----------|------------------|------|--------------------|----------|-----------------|--------|------------------|--------|-----------------|--------|-------------|--------|
|           |                  |      |                    |          | Rate            | BezGr. | Rate             | BezGr. | Rate            | BezGr. | Rate        | BezGr. |
| Ris2004   | bpfl             | F    | Smoker             |          | –               | –      | –                | –      | 32%             | üB     | 47%         | VS     |
|           | bpfl             | F    | Non-smoker         |          | –               | –      | –                | –      | 53%             | üB     | 113%        | VS     |
|           | bpfl             | M    | Smoker             |          | –               | –      | –                | –      | 32%             | üB     | 47%         | VS     |
|           | bpfl             | M    | Non-smoker         |          | –               | –      | –                | –      | 57%             | üB     | 133%        | VS     |
|           | bfr Abi          | F    | Smoker             |          | –               | –      | –                | –      | –               | –      | 47%         | VS     |
|           | bfr Abi          | F    | Non-smoker         |          | –               | –      | –                | –      | –               | –      | 113%        | VS     |
|           | bfr Abi          | M    | Smoker             |          | –               | –      | –                | –      | –               | –      | 47%         | VS     |
|           | bfr Abi          | M    | Non-smoker         |          | –               | –      | –                | –      | –               | –      | 133%        | VS     |
|           | bfr i Tod        |      |                    |          | 0.25%           | DK     | –                | –      | –               | –      | –           | –      |
|           | bfr (EB, Einst.) | F    | Smoker             |          | –               | –      | –                | –      | –               | –      | 47%         | VS     |
|           | bfr (EB, Einst.) | F    | Non-smoker         |          | –               | –      | –                | –      | –               | –      | 113%        | VS     |
|           | bfr (EB, Einst.) | M    | Smoker             |          | –               | –      | –                | –      | –               | –      | 47%         | VS     |
|           | bfr (EB, Einst.) | M    | Non-smoker         |          | –               | –      | –                | –      | –               | –      | 133%        | VS     |
|           | Ris2005R         | bpfl |                    |          |                 | –      | –                | –      | –               | 53%    | üB          | 113%   |
| bfr       |                  |      |                    |          | –               | –      | –                | –      | –               | –      | 113%        | VS     |
| Ris2005NR | bpfl             |      |                    |          | –               | –      | –                | –      | 53%             | üB     | 113%        | VS     |
|           | bfr              |      |                    |          | –               | –      | –                | –      | –               | –      | 113%        | VS     |
| Ris2007R  | bpfl             |      |                    |          | –               | –      | –                | –      | 53%             | üB     | 113%        | VS     |
|           | bfr              |      |                    |          | –               | –      | –                | –      | –               | –      | 113%        | VS     |
| Ris2007NR | bpfl             |      |                    |          | –               | –      | –                | –      | 53%             | üB     | 113%        | VS     |
|           | bfr              |      |                    |          | –               | –      | –                | –      | –               | –      | 113%        | VS     |
| Ris2008R  | bpfl             |      |                    |          | –               | –      | –                | –      | 53%             | üB     | 113%        | VS     |
|           | bfr              |      |                    |          | –               | –      | –                | –      | –               | –      | 113%        | VS     |
| Ris2008NR | bpfl             |      |                    |          | –               | –      | –                | –      | 53%             | üB     | 113%        | VS     |
|           | bfr              |      |                    |          | –               | –      | –                | –      | –               | –      | 113%        | VS     |

| TG/GV     | Contract status | M/F | Smoker/ non-smoker | Measured | Interest profit |        | add profit share |        | Premium set-off |        | Death bonus |        |
|-----------|-----------------|-----|--------------------|----------|-----------------|--------|------------------|--------|-----------------|--------|-------------|--------|
|           |                 |     |                    |          | Rate            | BezGr. | Rate             | BezGr. | Rate            | BezGr. | Rate        | BezGr. |
| Ris2009R  | bpfl            | F   |                    | 1        | –               | –      | –                | –      | 58%             | üB     | 138%        | VS     |
|           | bpfl            | F   |                    | 2        | –               | –      | –                | –      | 53%             | üB     | 113%        | VS     |
|           | bpfl            | M   |                    | 1        | –               | –      | –                | –      | 57%             | üB     | 133%        | VS     |
|           | bpfl            | M   |                    | 2        | –               | –      | –                | –      | 52%             | üB     | 108%        | VS     |
|           | bfr             | F   |                    | 1        | –               | –      | –                | –      | –               | –      | 138%        | VS     |
|           | bfr             | F   |                    | 2        | –               | –      | –                | –      | –               | –      | 113%        | VS     |
|           | bfr             | M   |                    | 1        | –               | –      | –                | –      | –               | –      | 133%        | VS     |
|           | bfr             | M   |                    | 2        | –               | –      | –                | –      | –               | –      | 108%        | VS     |
| Ris2009NR | bpfl            | F   |                    | 1        | –               | –      | –                | –      | 56%             | üB     | 127%        | VS     |
|           | bpfl            | F   |                    | 2        | –               | –      | –                | –      | 51%             | üB     | 104%        | VS     |
|           | bpfl            | M   |                    | 1        | –               | –      | –                | –      | 55%             | üB     | 122%        | VS     |
|           | bpfl            | M   |                    | 2        | –               | –      | –                | –      | 50%             | üB     | 100%        | VS     |
|           | bfr             | F   |                    | 1        | –               | –      | –                | –      | –               | –      | 127%        | VS     |
|           | bfr             | F   |                    | 2        | –               | –      | –                | –      | –               | –      | 104%        | VS     |
|           | bfr             | M   |                    | 1        | –               | –      | –                | –      | –               | –      | 122%        | VS     |
|           | bfr             | M   |                    | 2        | –               | –      | –                | –      | –               | –      | 100%        | VS     |
| Ris2012R  | bpfl            | F   |                    | 1        | –               | –      | –                | –      | 58%             | üB     | 138%        | VS     |
|           | bpfl            | F   |                    | 2        | –               | –      | –                | –      | 53%             | üB     | 113%        | VS     |
|           | bpfl            | M   |                    | 1        | –               | –      | –                | –      | 57%             | üB     | 133%        | VS     |
|           | bpfl            | M   |                    | 2        | –               | –      | –                | –      | 52%             | üB     | 108%        | VS     |
|           | bfr             | F   |                    | 1        | –               | –      | –                | –      | –               | –      | 138%        | VS     |
|           | bfr             | F   |                    | 2        | –               | –      | –                | –      | –               | –      | 113%        | VS     |
|           | bfr             | M   |                    | 1        | –               | –      | –                | –      | –               | –      | 133%        | VS     |
|           | bfr             | M   |                    | 2        | –               | –      | –                | –      | –               | –      | 108%        | VS     |
| Ris2012NR | bpfl            | F   |                    | 1        | –               | –      | –                | –      | 56%             | üB     | 127%        | VS     |
|           | bpfl            | F   |                    | 2        | –               | –      | –                | –      | 51%             | üB     | 104%        | VS     |
|           | bpfl            | M   |                    | 1        | –               | –      | –                | –      | 55%             | üB     | 122%        | VS     |
|           | bpfl            | M   |                    | 2        | –               | –      | –                | –      | 50%             | üB     | 100%        | VS     |
|           | bfr             | F   |                    | 1        | –               | –      | –                | –      | –               | –      | 127%        | VS     |
|           | bfr             | F   |                    | 2        | –               | –      | –                | –      | –               | –      | 104%        | VS     |
|           | bfr             | M   |                    | 1        | –               | –      | –                | –      | –               | –      | 122%        | VS     |
|           | bfr             | M   |                    | 2        | –               | –      | –                | –      | –               | –      | 100%        | VS     |

| TG/GV     | Contract status | M/F | Smoker/<br>non-smoker | Meas-<br>ured | Interest profit |        | add profit share |        | Premium set-off |        | Death bonus |        |
|-----------|-----------------|-----|-----------------------|---------------|-----------------|--------|------------------|--------|-----------------|--------|-------------|--------|
|           |                 |     |                       |               | Rate            | BezGr. | Rate             | BezGr. | Rate            | BezGr. | Rate        | BezGr. |
| Ris2013R  | bpfl            |     |                       |               | –               | –      | –                | –      | 63%             | üB     | 170%        | VS     |
|           | bfr             |     |                       |               | –               | –      | –                | –      | –               | –      | 170%        | VS     |
| Ris2013NR | bpfl            |     |                       |               | –               | –      | –                | –      | 68%             | üB     | 212%        | VS     |
|           | bfr             |     |                       |               | –               | –      | –                | –      | –               | –      | 212%        | VS     |
| Ris2015R  | bpfl            |     |                       |               | –               | –      | –                | –      | 63%             | üB     | 170%        | VS     |
|           | bfr             |     |                       |               | –               | –      | –                | –      | –               | –      | 170%        | VS     |
| Ris2015NR | bpfl            |     |                       |               | –               | –      | –                | –      | 68%             | üB     | 212%        | VS     |
|           | bfr             |     |                       |               | –               | –      | –                | –      | –               | –      | 212%        | VS     |
| RIR05     | bpfl            |     |                       |               | –               | –      | –                | –      | 37%             | üB     | 58%         | VS     |
|           | bfr             |     |                       |               | –               | –      | –                | –      | –               | –      | 58%         | VS     |
| RIN05     | bpfl            |     |                       |               | –               | –      | –                | –      | 37%             | üB     | 58%         | VS     |
|           | bfr             |     |                       |               | –               | –      | –                | –      | –               | –      | 58%         | VS     |

#### Contract status:

|                  |   |   |
|------------------|---|---|
| bpfl             | = | contracts liable to premiums  |
| bfr              | = | premium-free contracts  |
| bfr (EB, Einst.) | = | against a single premium and due to the discontinuance of the premium payment, premium-free contracts |
| bfr Abl          | = | due to the expiry of the premium payment period, premium-free contracts                               |
| bfr i Tod        | = | premium-free contracts due to death   |

#### Reference values (BezGr.):

|    |   |                               |   |
|----|---|-------------------------------|---|
| VS | = | insured amount                | üB = premium eligible for profit  |
| DK | = | capital sum required as cover | üB(vV) = premium eligible for profit of a comparable insurance liable to premiums |

#### Remark (Bem.):

- 1 = applies to insured amounts as from € 50 000
- 2 = applies to insured amounts up to € 49 999

#### Type of appropriation:

With regard to a contract liable to premiums, the profit share percentages apply depending on the agreed profit system – either death bonus or premium set-off.

With regard to a premium-free contract, either the death bonus or the interest-bearing accumulation is deemed to be the profit system according to the agreement.

## Additional insurances

| TG/GV   | Tariffs | Contract status | Interest profit |        | Profit share |        | Claim bonus |        |
|---------|---------|-----------------|-----------------|--------|--------------|--------|-------------|--------|
|         |         |                 | Rate            | BezGr. | Rate         | BezGr. | Rate        | BezGr. |
| BUZ     | B       | bpfl            | –               | –      | 35%          | üB     | –           | –      |
|         | BR      | bpfl            | –               | –      | 35%          | üB     | –           | –      |
|         | BR/..   | bpfl            | –               | –      | –            | –      | –           | –      |
|         | BR1     | bpfl            | –               | –      | 35%          | üB     | –           | –      |
|         |         | bfr             | 0.00%           | DK     | –            | –      | –           | –      |
|         |         | lfdR            | 0.00%           | DK     | –            | –      | –           | –      |
| BUZ95   | B       | bpfl            | –               | –      | 35%          | üB     | –           | –      |
|         | BR      | bpfl            | –               | –      | 35%          | üB     | –           | –      |
|         | BR/..   | bpfl            | –               | –      | –            | –      | –           | –      |
|         | BR1     | bpfl            | –               | –      | 35%          | üB     | –           | –      |
|         |         | bfr             | 0.00%           | DK     | –            | –      | –           | –      |
|         |         | lfdR            | 0.00%           | DK     | –            | –      | –           | –      |
| BUZ97   | bpfl    | –               | –               | 32%    | üB           | –      | –           |        |
|         | bfr     | 0.00%           | DK              | –      | –            | –      | –           |        |
|         | lfdR    | 0.00%           | DK              | –      | –            | –      | –           |        |
| BUZ2000 | bpfl    | –               | –               | 40%    | üB           | –      | –           |        |
|         | bfr     | 0.00%           | MDK             | –      | –            | –      | –           |        |
|         | lfdR    | 0.00%           | MDK             | –      | –            | –      | –           |        |
| BUZ2004 | bpfl    | –               | –               | 40%    | üB           | –      | –           |        |
|         | bfr     | 0.25%           | MDK             | –      | –            | –      | –           |        |
|         | lfdR    | 0.25%           | MDK             | –      | –            | –      | –           |        |
| BUZ2007 | bpfl    | –               | –               | 40%    | üB           | –      | –           |        |
|         | bfr     | 0.75%           | MDK             | –      | –            | –      | –           |        |
|         | lfdR    | 0.75%           | MDK             | –      | –            | –      | –           |        |
| BUZ2008 | bpfl    | –               | –               | 40%    | üB           | –      | –           |        |
|         | bfr     | 0.75%           | MDK             | –      | –            | –      | –           |        |
|         | lfdR    | 0.75%           | MDK             | –      | –            | –      | –           |        |
| BUZ2009 | bpfl    | –               | –               | 35%    | üB           | 53%    | vR          |        |
|         | bfr     | –               | –               | –      | –            | 53%    | vR          |        |
|         | lfdR    | 0.75%           | MDK             | –      | –            | –      | –           |        |
| BUZ2012 | bpfl    | –               | –               | 35%    | üB           | 53%    | vR          |        |
|         | bfr     | –               | –               | –      | –            | 53%    | vR          |        |
|         | lfdR    | 1.25%           | MDK             | –      | –            | –      | –           |        |

| TG/GV   | Tariffs | Contract status | Interest profit |        | Profit share |        | Claim bonus |        |
|---------|---------|-----------------|-----------------|--------|--------------|--------|-------------|--------|
|         |         |                 | Rate            | BezGr. | Rate         | BezGr. | Rate        | BezGr. |
| BUZ2013 | bpfl    |                 | –               | –      | 35%          | üB     | 53%         | vR     |
|         | bfr     |                 | –               | –      | –            | –      | 53%         | vR     |
|         | lfdR    |                 | 1.25%           | MDK    | –            | –      | –           | –      |
| BUZ2015 | bpfl    |                 | –               | –      | 35%          | üB     | 53%         | vR     |
|         | bfr     |                 | –               | –      | –            | –      | 53%         | vR     |
|         | lfdR    |                 | 1.75%           | MDK    | –            | –      | –           | –      |
| EU07    | bpfl    |                 | –               | –      | 40%          | üB     | –           | –      |
|         | bfr     |                 | 0.75%           | MDK    | –            | –      | –           | –      |
|         | lfdR    |                 | 0.75%           | MDK    | –            | –      | –           | –      |
| EU08    | bpfl    |                 | –               | –      | 40%          | üB     | –           | –      |
|         | bfr     |                 | 0.75%           | MDK    | –            | –      | –           | –      |
|         | lfdR    |                 | 0.75%           | MDK    | –            | –      | –           | –      |
| EU09    | bpfl    |                 | –               | –      | 35%          | üB     | 53%         | vR     |
|         | bfr     |                 | –               | –      | –            | –      | 53%         | vR     |
|         | lfdR    |                 | 0.75%           | MDK    | –            | –      | –           | –      |
| EU12    | bpfl    |                 | –               | –      | 35%          | üB     | 53%         | vR     |
|         | bfr     |                 | –               | –      | –            | –      | 53%         | vR     |
|         | lfdR    |                 | 1.25%           | MDK    | –            | –      | –           | –      |
| EU13    | bpfl    |                 | –               | –      | 35%          | üB     | 53%         | vR     |
|         | bfr     |                 | –               | –      | –            | –      | 53%         | vR     |
|         | lfdR    |                 | 1.25%           | MDK    | –            | –      | –           | –      |

#### Contract status:

|      |   |                              |
|------|---|------------------------------|
| bpfl | = | contracts liable to premiums |
| bfr  | = | premium-free contracts       |
| lfdR | = | regular annuities            |

#### Reference values (BezGr.):

|     |   |                               |     |   |   |
|-----|---|-------------------------------|-----|---|---|
| üJB | = | premium eligible for profit   | MDK | = | actuarial average capital sum required as cover     |
| DK  | = | capital sum required as cover |     |   | (discounted at the beginning of the insurance year) |
| vR  | = | insured annuity               |     |   |   |

#### Type of appropriation:

With regard to a contract liable to premiums, the profit share percentages apply depending on the agreed profit system – either premium set-off or profit share for the interest-bearing accumulation.

Premium-free contracts receive an interest profit for interest-bearing accumulation.

Regular annuities receive the interest profit to increase the annuities.

If a cash annuity is insured, the claim bonus increases the annuity if benefits are paid out.

## Annuity insurances

| TG/GV | Contract status | M/F | Interest profit |        | Cost profit |        |
|-------|-----------------|-----|-----------------|--------|-------------|--------|
|       |                 |     | Rate            | BezGr. | Rate        | BezGr. |
| REN04 | bpfl            |     | 0.023%          | KA     | –           | –      |
|       | bfr             |     | 0.026%          | KA     | –           | –      |
|       | lfdR            |     | –               | –      | –           | –      |
| REN05 | bpfl            |     | 0.05%           | MDK    | 0.00%       | MDK    |
|       | bfr             |     | 0.05%           | MDK    | –           | –      |
|       | lfdR            |     | –               | –      | –           | –      |

### Contract status:

- bpfl = contracts liable to premiums
- bfr = premium-free contracts
- lfdR = regular annuities

### Reference values (BezGr.):

- KA = monetary compensation
- MDK = actuarial average capital sum required as cover  
(discounted at the beginning of the insurance year)

### Type of appropriation:

Depending on the agreement, the profit shares are accrued on an interest-bearing basis or are used to increase the final payment.

## Disability insurances

| TG/GV   | Tariffs | Contract status | Interest profit |        | Profit share |        | Claim bonus |        |
|---------|---------|-----------------|-----------------|--------|--------------|--------|-------------|--------|
|         |         |                 | Rate            | BezGr. | Rate         | BezGr. | Rate        | BezGr. |
| SBU2014 |         | bpfl            | –               | –      | 35%          | üB     | 53%         | vR     |
|         |         | bfr             | –               | –      | –            | –      | 53%         | vR     |
|         |         | lfdR            | 1.25%           | MDK    | –            | –      | –           | –      |
| SBU2015 |         | bpfl            | –               | –      | 35%          | üB     | 53%         | vR     |
|         |         | bfr             | –               | –      | –            | –      | 53%         | vR     |
|         |         | lfdR            | 1.75%           | MDK    | –            | –      | –           | –      |

### Contract status:

|      |   |                              |
|------|---|------------------------------|
| bpfl | = | contracts liable to premiums |
| bfr  | = | premium-free contracts       |
| lfdR | = | regular annuities            |

### Reference values (BezGr.):

|     |   |                             |     |   |  |
|-----|---|-----------------------------|-----|---|--|
| üJB | = | premium eligible for profit | MDK | = | actuarial average capital sum required as cover<br>(discounted at the beginning of the insurance year) |
| vR  | = | insured annuity             |     |   |  |

### Type of appropriation:

With regard to a contract liable to premiums, the profit share percentages apply depending on the agreed profit system – either premium set-off or claim bonus.

Regular annuities receive the interest profit to increase the annuities.

If a cash annuity is insured, the claim bonus increases the annuity if benefits are paid out.

More customer satisfaction  
More sales success  
More partnership  
More value  
More value  
More services  
**More partnership**  
More sales success  
More services  
More customer satisfaction  
**More services**  
More transparency

## Terminal dividends

| TG/GV                             | Tariffs | Contract status | Bem | Reference value | 1998  | 1999  | 2000  | 2001  | 2002  | 2003  |
|-----------------------------------|---------|-----------------|-----|-----------------|-------|-------|-------|-------|-------|-------|
| <b>Cash value life insurances</b> |         |                 |     |                 |       |       |       |       |       |       |
| BO                                |         | bpfl            | 3   | VS              | 0.29% | 0.29% | 0.29% | 0.29% | 0.29% | 0.29% |
| GL95                              |         | bpfl            | 3   | VS              | 0.29% | 0.29% | 0.29% | 0.29% | 0.29% | 0.29% |
| GL96                              |         | bpfl            | 4   | VS              | 0.30% | 0.30% | 0.30% | 0.30% | 0.30% | 0.30% |
| GL2000                            |         | bpfl            | 1   | VS              | –     | –     | 0.04% | 0.04% | 0.04% | 0.04% |
| GL2004                            |         | bpfl            | 1   | VS              | –     | –     | –     | –     | –     | –     |
| GL2007                            |         | bpfl/bfr        | 2   | AG              | –     | –     | –     | –     | –     | –     |
| GL2008                            |         | bpfl/bfr        | 2   | AG              | –     | –     | –     | –     | –     | –     |

### Contract status:

bpfl = contracts liable to premiums  
bfr = premium-free contracts

### Reference value (BezGr.):

VS = insured amount  
AG = interest-bearing balance accumulated

### Comments:

The following conditions apply:

The table contains parameters based on which the respective terminal dividends can be calculated according to the following remarks:

- 1 = the percentage results by multiplication with the expired term of insurance for each year liable to premiums, but by no more than 30 years.
- 2 = applies for contracts with regard to which the premium payment period equals the duration of the contract. With regard to insurances against single premiums, the percentages is reduced to half and for other insurances the percentage is reduced to  $\frac{3}{4}$ ; in each case, the figure is rounded up to a whole percentage.
- 3 = applies for terms of insurance up to 11 years for each insurance year completed as from 1 January 2000 and for terms of insurance between 12 and 14 years. With regard to terms of insurance of more than 15 years, the rate increases by 0.09%.
- 4 = applies for terms of insurance up to 11 years for each insurance year completed as from 1 January 2000 and for terms of insurance as from 12 years for every year of the premium payment period.

The corresponding percentages of past years can be found in the respective annual report.

| 2004  | 2005  | 2006  | 2007  | 2008  | 2009  | 2010  | 2011  | 2012  | 2013  | 2014  | 2015          |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------------|
|       |       |       |       |       |       |       |       |       |       |       |               |
| 0.29% | 0.29% | 0.29% | 0.29% | 0.29% | 0.29% | 0.29% | 0.29% | 0.29% | 0.29% | 0.29% | <b>0.29%</b>  |
| 0.29% | 0.29% | 0.29% | 0.29% | 0.29% | 0.29% | 0.29% | 0.29% | 0.29% | 0.29% | 0.29% | <b>0.29%</b>  |
| 0.30% | 0.30% | 0.30% | 0.30% | 0.30% | 0.30% | 0.30% | 0.30% | 0.30% | 0.30% | 0.30% | <b>0.30%</b>  |
| 0.04% | 0.04% | 0.04% | 0.04% | 0.04% | 0.03% | 0.03% | 0.03% | 0.03% | 0.03% | 0.03% | <b>0.03%</b>  |
| 0.04% | 0.04% | 0.04% | 0.04% | 0.04% | 0.03% | 0.03% | 0.03% | 0.03% | 0.03% | 0.03% | <b>0.03%</b>  |
| –     | –     | –     | –     | –     | –     | –     | –     | –     | –     | –     | <b>29.00%</b> |
| –     | –     | –     | –     | –     | –     | –     | –     | –     | –     | –     | <b>29.00%</b> |

Neuss, 23 April 2015

The Executive Board

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 Credit Life AG, 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

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More sales success  
More partnership  
More value  
More value  
More services  
**More partnership**  
More sales success  
More customer satisfaction  
**More services**  
More transparency

# Appendix to the Management Report

## Movement in the portfolio of direct life insurances in the 2014 financial year

### A. Movement in the portfolio of direct life insurances in the 2014 financial year

|   | Total of direct operations |   |                                     |   |
|---|----------------------------|---|-------------------------------------|---|
|   | (only main insurances)     | (main and additional insurances)                |                                     | (only main insurances)  |
|   | Number of insurances       | Regular premium for a year in thousands of euro | Single premium in thousands of euro | Insured sum and/or 12 times annual annuity in thousands of euro |
| <b>I. Portfolio at the beginning of the financial year</b>  | 1 996 636                  | 28 473  |                                     | 15 374 245  |
| <b>II. Addition during the financial year</b>               |                            |   |                                     |   |
| 1. New addition   |                            |   |                                     |   |
| a) Redeemed insurance certificates                          | 167 572                    | 7 950   | 16 020                              | 4 533 239   |
| b) Increases in the insured amounts (without Item 2)        |                            | 135   |                                     | 10 545  |
| 2. Increases in the insured amounts by way of profit shares |                            |   | -1                                  | 1   |
| 3. Remaining addition                                       |                            |   | 24 996                              |   |
| <b>4. Total addition</b>                                    | 167 572                    | 8 085   | 41 015                              | 4 543 785   |
| <b>III. Termination during the financial year</b>           |                            |   |                                     |   |
| 1. Death, occupational disability, etc.                     | 2 780                      | 67  |                                     | 19 521  |
| 2. Expiry of the insurance / premium payment                | 445 392                    | 1 722   |                                     | 3 798 959   |
| 3. Surrender and conversion in premium-free insurances      | 32 887                     | 988   |                                     | 343 184   |
| 4. Other premature termination                              | 11 667                     | 292   |                                     | 208 896   |
| 5. Remaining termination                                    | 101 821                    | 22  |                                     | 133 045   |
| <b>6. Total termination</b>                                 | 594 547                    | 3 091   |                                     | 4 503 605   |
| <b>IV. Portfolio at the end of the financial year</b>       | 1 569 661                  | 33 467  |                                     | 15 414 425  |

| Individual insurances   |   |                      |   |   |   |                       |   | Collective insurances |   |
|---|---|----------------------|---|---|---|-----------------------|---|-----------------------|---|
| Capital insurances (incl. asset-forming insurances) without risk insurances and other life insurances |   | Risk insurances      |   | Annuity insurances (incl. occupational disability insurances and long-term care annuity insurances (Pflegerentenversicherungen))without other life insurances |   | Other life insurances |   |                       |   |
| Number of insurances  | Regular premium for a year in thousands of euro | Number of insurances | Regular premium for a year in thousands of euro | Number of insurances  | Regular premium for a year in thousands of euro | Number of insurances  | Regular premium for a year in thousands of euro | Number of insurances  | Regular premium for a year in thousands of euro |
| 3 774   | 1 976   | 47 122               | 24 708  | 1 697   | 717   | 515                   | 225   | 1 943 528             | 847   |
|   |   |                      |   |   |   |                       |   |                       |   |
|   |   | 26 493               | 6 458   | 85  | 98  | 109                   | 55  | 140 885               | 1 339   |
|   | 9   |                      | 108   |   | 8   |                       | 10  |                       |   |
|   |   |                      |   |   |   |                       |   |                       |   |
|   | 9   | 26 493               | 6 566   | 85  | 106   | 109                   | 65  | 140 885               | 1 339   |
|   |   |                      |   |   |   |                       |   |                       |   |
| 34  | 15  | 65                   | 50  | 3   | 1   |                       |   | 2 678                 | 1   |
| 81  | 62  | 1 666                | 785   |   |   |                       |   | 443 645               | 875   |
| 303   | 115   | 661                  | 655   | 217   | 114   | 120                   | 55  | 31 586                | 49  |
|   | 7   | 794                  | 278   | 2   | 4   |                       | 2   | 10 871                | 1   |
|   |   |                      | 22  |   |   |                       |   | 101 821               |   |
| 418   | 199   | 3 186                | 1 790   | 222   | 119   | 120                   | 57  | 590 601               | 926   |
| 3 356   | 1 786   | 70 429               | 29 484  | 1 560   | 704   | 504                   | 233   | 1 493 812             | 1 260   |

**B. Structure of the portfolio  
of direct life insurances  
(without additional insurances)**

|   | Total of direct operations |   |
|---|----------------------------|---|
|   | Number of insurances       | Insured sum and/or 12 times annual annuity in thousands of euro |
| 1. Portfolio at the beginning of the financial year | 1 996 636                  | 15 374 245  |
| of which non-contributory                           | (1 926 066)                | (10 948 787)  |
| 2. Portfolio at the end of the financial year       | 1 569 661                  | 15 414 425  |
| of which non-contributory                           | (1 472 968)                | (7 527 310)   |

**C. Structure of the portfolio of direct  
additional insurances**

|   | Additional insurances in total |   |
|---|--------------------------------|---|
|   | Number of insurances           | Insured sum and/or 12 times annual annuity in thousands of euro |
| 1. Portfolio at the beginning of the financial year | 1 387 518                      | 9 365 735   |
| 2. Portfolio at the end of the financial year       | 1 066 773                      | 6 204 336   |

| Individual insurances  |                                  |                      |                                  |   |  |                       |   | Collective insurances |   |
|--|----------------------------------|----------------------|----------------------------------|---|--|-----------------------|---|-----------------------|---|
| Capital insurances (incl. asset-forming insurances) without risk insurance and other life insurances |                                  | Risk insurances      |                                  | Annuity insurances (incl. occupational disability insurances and long-term care annuity insurances) without other life insurances |  | Other life insurances |   |                       |   |
| Number of insurances   | Insured sum in thousands of euro | Number of insurances | Insured sum in thousands of euro | Number of insurances  | 12 times annual annuity in thousands of euro | Number of insurances  | Insured sum and/or 12 times annual annuity in thousands of euro | Number of insurances  | Insured sum and/or 12 times annual annuity in thousands of euro |
| 3 774  | 61 841                           | 47 122               | 4 256 703                        | 1 697   | 19 588                                       | 515                   | 6 570   | 1 943 528             | 11 029 542  |
| (513)  | (3 903)                          | (2 816)              | (26 119)                         | (308)   | (4 140)                                      |                       |   | (1 922 429)           | (10 914 625)  |
| 3 356  | 56 635                           | 70 429               | 7 626 824                        | 1 560   | 26 124                                       | 504                   | 6 758   | 1 493 812             | 7 698 083   |
| (494)  | (3 743)                          | (3 001)              | (27 126)                         | (314)   | (4 178)                                      |                       | (1)   | (1 469 159)           | (7 492 262)   |

| Additional personal accident insurances |                                  | Additional occupational disability or invalidity insurances |  | Additional risk and temporary annuity insurances |                                     | Other additional insurances |   |
|---|----------------------------------|---|--|--|-------------------------------------|-----------------------------|---|
| Number of insurances                    | Insured sum in thousands of euro | Number of insurances  | 12 times annual annuity in thousands of euro | Number of insurances                             | Insured amount in thousands of euro | Number of insurances        | Insured sum and/or 12 times annual annuity in thousands of euro |
| 1 381 008                               | 8 515 608                        | 6 510   | 850 127                                      |  |                                     |                             |   |
| 1 060 124                               | 5 354 075                        | 6 401   | 849 952                                      |  |                                     | 248                         | 309   |

## Appendix to the notes

| Assets<br>(in thousands of euro)   | Balance<br>sheet val-<br>ues previ-<br>ous year | Additions     | Disposals     | Write-ups | Deprecia-<br>tions | Balance<br>sheet val-<br>ues Finan-<br>cial year |
|--|---|---------------|---------------|-----------|--------------------|--|
| <b>A. I. Investments in affiliated compa-<br/>nies and participating interests</b> |   |               |               |           |                    |  |
| 1. Participating interests   | 3   | 212           | –             | –         | –                  | 216  |
| <b>A. II. Other investments</b>  |   |               |               |           |                    |  |
| 1. Shares, investment shares and other<br>non-fixed-income securities              | 6 387   | 98            | 70            | 49        | 87                 | 6 378  |
| 2. Bearer bonds and<br>other fixed-income securities                               | 113 805   | 1 998         | 29 756        | –         | 250                | 85 797   |
| 3. Claims arising from a mortgage,<br>a land charge or an annuity charge           | 12  | –             | 11            | –         | –                  | 1  |
| 4. Other loans   |   |               |               |           |                    |  |
| a) Registered bonds  | 51 000  | 2 000         | 3 000         | –         | –                  | 50 000   |
| b) Notes receivable and loans  | 69 900  | 15 000        | 19 000        | –         | –                  | 65 900   |
| c) Loans and advance payments with re-<br>gard to insurance certificates           | 260   | 51            | 27            | –         | –                  | 283  |
| d) Other loans   | 742   | –             | –             | –         | –                  | 742  |
| 5. Deposits at banks   | 12 019  | –             | 256           | –         | –                  | 11 763   |
| <b>Total</b>   | <b>254 128</b>                                  | <b>19 359</b> | <b>52 120</b> | <b>49</b> | <b>337</b>         | <b>221 079</b>                                   |

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

#### Details regarding the fair value determination of all investments

##### Investments in affiliated companies and participating interests:

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

##### 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. With the Rheinland-ABS-Fonds, the fair values are determined indicatively by the financial investment management company.

##### Bearer bonds and other fixed-income securities:

The fair values are determined by means of the stock market prices 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 was determined by means of individual title risk-adjusted-yield curves that were adjusted for 2014 according to the spread development.

| Assets<br>(in thousands of euro)   | Balance<br>sheet val-<br>ues Finan-<br>cial year | Hidden<br>charges | Hidden<br>reserves | Fair values<br>Financial<br>year |
|--|--|-------------------|--------------------|----------------------------------|
| <b>A. I. Investments in affiliated companies and participating interests</b> |  |                   |                    |                                  |
| 1. Participating interests   | 216  | –                 | –                  | 216                              |
| <b>A. II. Other investments</b>  |  |                   |                    |                                  |
| 1. Shares, investment shares and other<br>non-fixed-income securities        | 6 378  | –                 | –                  | 6 378                            |
| 2. Bearer bonds and other fixed-interest securities                          | 85 797   | 215               | 4 724              | 90 306                           |
| 3. Claims arising from a mortgage, a land charge or an annuity charge        | 1  | –                 | –                  | 1                                |
| 4. Other loans   |  |                   |                    |                                  |
| a) Registered bonds  | 50 000   | –                 | 6 192              | 56 192                           |
| b) Notes receivable and loans  | 65 900   | –                 | 5 339              | 71 239                           |
| c) Loans and advance payments with regard to insurance certificates          | 283  | –                 | –                  | 283                              |
| d) Other loans   | 742  | –                 | 19                 | 761                              |
| 5. Deposits at banks   | 11 763   | –                 | –                  | 11 763                           |
| <b>Total</b>   | <b>221 079</b>                                   | <b>215</b>        | <b>16 275</b>      | <b>237 138</b>                   |

#### Registered bonds, notes receivables and loans:

The fair value was determined by means of individual title risk-adjusted-yield curves that were adjusted for 2014 according to the spread development.

#### Loans and advance payments with regard to insurance certificates:

With regard to policy loans, the fair value is calculated on the basis of the book value minus repayments made in the meantime due to rights to give notice of termination on a daily basis.

#### Remaining loans:

The fair value of the remaining loans is calculated by means of risk-adjusted yield curves for individual securities which were adjusted for 2013 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.

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

The fair values of the investments shown in the balance sheet at acquisition costs amount to € 225 093 127.51 (previous year: € 253 657 888.73) at a book value of € 209 033 493.23.

The total amount of acquisition costs of the investments to be included into the profit share amounts to € 96 513 300.20: the total amount of the fair value of these investments comes to € 109 065 390.53. On 31 December 2014, the resulting balance amounts to € 5 707 736.26

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

The book value of the investments with regard to which depreciations were avoided amounts to € 0.00 as at 31 December 2014, the fair value amounts to € 0.00.

### **Bearer bonds and other fixed-income securities:**

The book value of the investments with regard to which depreciations were avoided amounts to € 6 003 170.34 as at 31 December 2014, the fair value amounts to € 5 788 074.27.

# Further Details on the Management Report

## List of Types of Insurance Managed

### Main insurances

#### Individual capital insurances

- Insurance due on death or survival
- Insurance with limited premium payment
- Joint life insurance
- Insurance with a fixed payment date
- Insurance with constant amount insured
- Insurance due on death

#### Individual annuity insurances

- Deferred annuity insurances with premium reimbursement and annuity guarantee

#### Individual risk insurances

- Risk insurance with constant amount insured
- Risk insurance with falling amount insured
- Risk insurance with a fixed payment date
- Joint life risk insurance

#### Fund-linked life insurances

#### Payment protection insurances

### Additional insurances

- Additional personal accident insurances
- Additional occupational disability insurance
- Additional disability pension insurance

### Disability insurance

- Insurance against the risk of reduced earnings for self-employed persons

# List of companies

## **Credit Life AG**

Head office  
RheinLandplatz | 41460 Neuss  
Telephone (0 21 31) 2010-7000  
Fax (0 21 31) 2010-7019

## **RheinLand Versicherungs AG**

Head office  
RheinLandplatz | 41460 Neuss  
Telephone (0 21 31) 2 90-0  
Fax (0 21 31) 2 90-1 33 00

## **RheinLand Lebensversicherung AG**

Head office  
RheinLandplatz | 41460 Neuss  
Telephone (0 21 31) 2 90-0  
Fax (0 21 31) 2 90-1 33 00

## **Rhion Versicherung AG**

Head office  
RheinLandplatz | 41460 Neuss  
Telephone (0 21 31) 60 99-0  
Fax (0 21 31) 60 99-3 00

# Credit Life AG

RheinLandplatz | 41460 Neuss  
Telephone +49 (0) 2131 2010-7000  
Fax +49 (0) 2131 2010-7019  
[www.creditlife.net](http://www.creditlife.net)

## **Supervisory Board**

Wilhelm Ferdinand Thywissen,  
Commercial Agent,  
Fully authorised representative of C. Thywissen GmbH,  
Neuss  
Chairman

Dr. Ludwig Baum,  
Commercial Agent,  
Managing Director of Effektenverwaltung Cornel Werhahn GbR,  
Munich  
Deputy Chairman

Jutta Stöcker,  
Graduate of Business Administration,  
Bornheim

## **Executive Board**

Christoph Buchbender,  
Neuss

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

Udo Klanten,  
Bergisch Gladbach

Andreas Schwarz,  
Neuss

