

ANNUAL REPORT

2014





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Board of Directors

de JAMBLINNE Olivier	Chairman
FRIOB Carlo	Director
JACQUEMIN Bernard	Director
LIMBOURG Nicolas	Director
MOHR Michael	Director

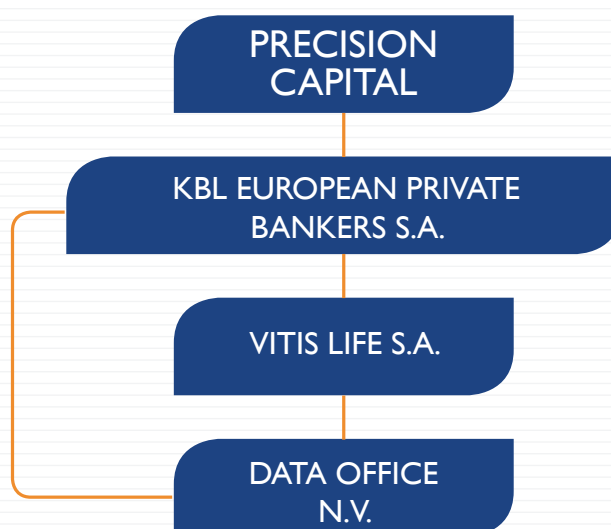
Management

LIMBOURG Nicolas | Chief Executive Officer

BEELEN Pierre | Chief Operating Officer / Chief Financial Officer

The Company

Vitis Life is part of **Precision Capital**



BOARD OF DIRECTORS MANAGEMENT REPORT

ANNUAL GENERAL MEETING MARCH 11, 2015

Vitis Life is a life insurance company that offers tailor-made wealth solutions to help its clients realize their ambitions, providing comprehensive solutions (fiscal, financial and legal) that best fit their unique needs.

The Company is structured around multidisciplinary teams that are comprised of the market's top specialists. Vitis Life collaborates with an international network of reliable and well-known professional partners, including private banks, wealth managers and asset managers.

2014: Financial objectives reached & market positions strengthened

2014 was a very positive year for Vitis Life, which has pursued its strategy of internationalization and multi-distribution as a provider of "à la carte" insurance solutions for (U)HNWI clients. Thanks to commercial projects carried out by the Sales team, numerous client and partner events, and an increased media presence, the Company has consolidated its position in all of the markets in which it operates and outperformed its financial objectives.

This consolidation has materialized in part due to the acquisition of new partnerships across Europe and solid diversification by markets on premiums collected from (U)HNWI clients. To that end, we were pleased to conclude the first insurance contracts for the Spanish market. These achievements were largely possible thanks to the support of KBL *epb*, with which Vitis Life has reinforced its links by increasing the number of cross-selling initiatives with other group affiliates.

In October 2014, Vitis Life, as a truly innovative life insurance company, launched a contract dedicated to UK non-domiciled individuals with their tax residence in the United Kingdom.

Many initiatives were also carried out in order to better manage risk, optimize processes and prepare for Solvency II requirements. The Company has improved the service provided to partners and clients by making a major change to its organizational structure. The Policy department responsible for contract management became Client Services, made up of two entities: the Middle Office and the Back Office.

Profit growth in 2014

Thanks to a 73% growth in premiums collected and the progressive decrease of the number of contracts with guaranteed rates, Vitis Life closed the financial year with a profit after taxes amounting to EUR 13.7 million.

At the same time, the solvency margin of the Company continued to grow to reach more than 320% (Solvency I ratio).

This important solvency margin added to the financial solidity of its shareholder, the KBL *epb* group will allow Vitis Life to continue developing its products to meet the needs of a pan-European ultra high net worth clientele.

BOARD OF DIRECTORS MANAGEMENT REPORT ANNUAL GENERAL MEETING MARCH 11, 2015

(CONTINUED)

2015 outlook

The focus will be on the Italian and Spanish markets, while keeping an eye on the UK non-domiciled individuals product.

Internally, new business-oriented projects – including the reorganization of the new Client Services department and consequently, an improvement in the services dedicated to our Sales team and partners – will enable the Company to further enhance the overall level of service offered to high net worth clients.

Vitis Life will continue to innovate and find niche markets, with the aim of diversifying its offering and positioning itself as a major player in product innovation.

While pursuing these goals, Vitis Life must ensure that new premiums will increase substantially in the future in order to grow the Company's assets, in particular by strengthening its ties with the other KBL epb subsidiaries throughout Europe.

Exposure to risk

Risk management at all levels (operational, IT, legal & compliance) was further improved in 2014 thanks to increased synergies with our parent Company, KBL epb, and many internal initiatives (i.e. the arrival of a new Internal Controller). To ensure smooth cooperation between the group and Vitis Life in light of this new policy, enhanced lines of communication were established and a new organizational chart was implemented.

During the 2014 fiscal year, Vitis Life was exposed to the following **financial risks**:

Insurance risk (death coverage)

This risk is limited because it is entirely re-insured with an 'A' rated re-insurance company.

Interest rate risk

This risk is managed throughout the duration of assets and liabilities and subject to predefined stress tests. Certain stress tests are implemented within the 'Reporting Value & Risk Management' framework before each Board of Directors meeting and Audit, Compliance and Risk Committee meeting.

Equity risk

The Company respected the investment constraints set by the group.

Credit risk

Investments are only authorized for loans with investment-grade ratings and defined minimum limits in order to benefit from diversified issuers. The Vitis Life portfolio is regularly monitored by specialists from the Credit Risk Management department.

Currency risk

This risk is minor for the Company. Investments in currencies other than the euro are marginal and they serve primarily to cover commitments in the same currency.

BOARD OF DIRECTORS MANAGEMENT REPORT ANNUAL GENERAL MEETING MARCH 11, 2015

(CONTINUED)

Other events

The Company did not acquire any proprietary shares in 2014.

The Company did not use derivatives to hedge certain risks during 2014, nor does it have any branches abroad.

The Company does not have activities in the field of Research and Development.

Significant events occurring after the 2014 fiscal year

No significant events occurred after the close of the 2014 fiscal year.

Olivier de Jamblinne de Meux
Chairman of the Board of Directors
Vitis Life S.A.

(figures expressed in EUR million)	2014	2013	2012	2011	2010
Premiums	237.51	136.63	281.00	167.19	744.98
Technical provisions	2,103.83	2,070.44	2,447.29	2,214.24	2,287.31
Total Balance sheet	2,183.19	2,157.28	2,525.99	2,285.60	2,383.00
Net results	13.64	16.97	3.05	(24.31)	9.31
Capital and reserves*	54.28	57.62	43.65	40.60	74.21
ROE**	33.55%	41.75%	7.51%	(37.46)%	14.35%

* including subordinated liabilities

** profit after tax divided by capital and reserve

Guaranteed life insurance products

Insurance Bonds:	<ul style="list-style-type: none"> → guaranteed rate → fixed maturity → capitalisation → multi-currency
Saving-Insurance:	<ul style="list-style-type: none"> → no fixed maturity (life) → guaranteed rate and bonuses → capitalisation
Annuity:	<ul style="list-style-type: none"> → fixed maturity → regular income
Capitalisation products:	<ul style="list-style-type: none"> → fixed maturity → guaranteed rate and bonuses → capitalisation

Non-guaranteed life insurance products

External funds:	<ul style="list-style-type: none"> → multi-fund → multi-currency
Internal funds:	<ul style="list-style-type: none"> → internal fund linked to a multi-fund (Sicavs, bonds, equities, ...)
Dedicated funds:	<ul style="list-style-type: none"> → dedicated funds (equities, bonds, ...) → multi-currency
VITIS Optimum:	<ul style="list-style-type: none"> → retirement provision product → in accordance with Article 111 (a) L.I.R. (Luxembourg) → multi-fund (investing in Sicavs)

Asset Management: for these kinds of policies, the assets are managed according to risk profiles agreed with policyholders. Such policies are managed separately to optimise individual services.

VITISICURA:	<ul style="list-style-type: none"> → internal fund linked to a structured product → return linked to the underlying stock indices of the structured product
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Services

Optional death covers	
Tailored beneficiary clauses	

To the Shareholders of
Vitis Life S.A.
2, boulevard E. Servais
L-2535 Luxembourg

Report on the annual accounts

Following our appointment by the General Meeting of the Shareholders dated 12 March 2014, we have audited the accompanying annual accounts of Vitis Life S.A., which comprise the balance sheet as at 31 December 2014 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts and for such internal control as the Board of Directors determines is necessary to enable the preparation and presentation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the "réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgment of agréé", including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the "réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of Vitis Life S.A. as of 31 December 2014, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Report on other legal and regulatory requirements.

The management report, which is the responsibility of the Board of Directors, is consistent with the annual accounts.

ERNST & YOUNG

Société Anonyme | Cabinet de révision agréé

Jean-Michel Pacaud

Luxembourg, 11 March 2015





Annual Report 2014

BALANCE SHEET
AS AT 31 DECEMBER 2014

Vitis Life S.A.

BALANCE SHEET AS AT 31 DECEMBER 2014

EXPRESSED IN EUROS (EUR)

ASSETS	NOTES ^(*)	2014	2013
INTANGIBLE ASSETS	4	927,072.16	888,170.25
INVESTMENTS			
Investments in affiliated undertakings and participating interests			
Shares in affiliated undertakings	5	10,275,858.15	10,275,858.15
Other financial investments			
Shares and other variable-yield securities and units in unit trusts	6	18,187,965.38	28,278,586.55
Debt securities and other fixed income securities	7	163,418,308.37	210,949,590.25
Other		1,150.00	1,150.00
Investments for the benefit of life insurance policyholders who bear the investment risk		1,942,848,699.85	1,855,961,589.66
REINSURERS' SHARE OF TECHNICAL PROVISIONS			
Life insurance provision		502,594.56	435,116.07
DEBTORS			
Debtors arising out of reinsurance operations		114,013.73	27,823.73
Other debtors, including tax	9	10,667,360.36	11,479,211.85
OTHER ASSETS			
Tangible assets	10	180,957.53	242,635.19
Cash at bank and in hand		32,761,213.45	34,679,332.36
PREPAYMENTS AND ACCRUED INCOME			
Accrued interest		3,249,502.55	4,002,768.06
Other prepayments and accrued income		54,155.96	53,971.98
TOTAL ASSETS		2,183,188,852.05	2,157,275,804.10

(*) Accompanying notes are part of the annual accounts.

BALANCE SHEET AS AT 31 DECEMBER 2014

EXPRESSED IN EUROS (EUR)

(CONTINUED)

LIABILITIES	NOTES ^(*)	2014	2013
CAPITAL AND RESERVES	11		
Subscribed capital		25,202,025.00	25,202,025.00
Reserves			
Legal reserve	12	2,520,202.50	2,520,202.50
Other reserves	13	12,923,302.75	12,923,010.41
Result of the financial year		13,635,260.59	16,971,292.34
TECHNICAL PROVISIONS			
Life insurance provision		160,983,974.27	214,456,167.33
Provision for bonuses		19,314.74	19,314.74
TECHNICAL PROVISIONS FOR LIFE INSURANCE POLICIES WHERE THE POLICYHOLDERS BEAR THE INVESTMENT RISK		1,942,848,699.85	1,855,961,589.66
PROVISIONS FOR OTHER RISKS AND CHARGES			
Other provisions		2,220,674.90	2,496,152.29
CREDITORS	8		
Creditors arising out of direct insurance operations		21,355,500.75	25,179,755.98
Creditors arising out of reinsurance operations		266,409.37	472,493.35
Amount owed to credit institutions		24,956.25	118,412.37
Other creditors, including tax and social security	9	1,188,531.08	955,388.13
TOTAL LIABILITIES		2,183,188,852.05	2,157,275,804.10

(*) Accompanying notes are part of the annual accounts.

A blurred, blue-tinted photograph of a busy city street. In the foreground, the lower legs and feet of several people walking are visible. In the background, a dense urban skyline with various skyscrapers is visible under a bright sky. The overall image has a professional, corporate feel.

Annual Report 2014

PROFIT AND LOSS
ACCOUNT FOR THE YEAR
ENDED 31 DECEMBER 2014

Vitis Life S.A.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014 EXPRESSED IN EUROS (EUR)

TECHNICAL ACCOUNT – LIFE INSURANCE BUSINESS

NOTES^(*)

2014

2013

EARNED PREMIUMS, NET OF REINSURANCE

Gross premiums written	14	237,512,098.56	136,629,294.17
Outward reinsurance premiums	16	(328,492.73)	(425,671.35)

INVESTMENT INCOME

Income from participation		1,999,995.63	0.00
Income from other investments		10,680,308.34	15,163,985.11
Value re-adjustments on investments		505,246.10	3,878,841.68
Gains on the realisation of investments		34,352,361.95	36,357,039.59
UNREALISED GAINS ON INVESTMENTS		80,369,972.21	38,236,266.01

CLAIMS INCURRED, NET OF REINSURANCE

Gross amount paid		(300,474,239.44)	(568,763,482.81)
Reinsurers' share	16	114,013.73	27,823.72

CHANGE IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE

Life insurance provision			
Gross amount		(33,414,917.13)	376,874,134.38
Reinsurers' share	16	67,478.49	(69,921.64)
BONUSES AND REBATES, NET OF REINSURANCE		0.00	(19,314.74)

NET OPERATING EXPENSES

Acquisition costs	15,17	(1,733,103.03)	(1,778,911.25)
Administrative expenses	17	(3,981,402.40)	(3,945,709.85)

(*) Accompanying notes are part of the annual accounts.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014 EXPRESSED IN EUROS (EUR)

(CONTINUED)

	NOTES ^(*)	2014	2013
INVESTMENT CHARGES			
Investment management charges, incl. interest		(4,681,008.86)	(5,597,913.00)
Value adjustments on investments	7	0.00	(29,750.00)
Losses on the realisation of investments	7	(7,008,920.95)	(9,215,611.20)
Balance on the technical account life insurance business		13,979,390.47	17,321,098.83

NON-TECHNICAL ACCOUNT

Balance on the technical account life insurance business		13,979,390.47	17,321,098.83
Other income		0.00	193.51
Tax on profit of ordinary activities		(260,943.49)	0.00
Profit or loss on ordinary activities after tax		13,718,446.98	17,321,292.34
Other taxes		(83,186.39)	(350,000.00)
PROFIT OR LOSS FOR THE FINANCIAL YEAR		13,635,260.59	16,971,292.34

(*) Accompanying notes are part of the annual accounts.



Annual Report 2014

NOTES TO THE
ANNUAL ACCOUNTS
AS AT 31 DECEMBER 2014

Vitis Life S.A.

NOTES TO THE ANNUAL ACCOUNTS AS AT 31 DECEMBER 2014

I. General

Vitis Life S.A. ('the Company') is a life insurance company founded in Luxembourg on 9 January 1995 as a limited liability company ('Société Anonyme').

The Company's objectives are to conduct life insurance operations, capitalisation operations and the management of life insurance or capitalisation companies.

On 2 July 1998, AlmaLife Luxembourg S.A. transferred all its assets and liabilities to the Company.

On 3 May 2007, the Company changed its name from VITIS Life Luxembourg S.A. to Vitis Life S.A.

2. Basis of presentation

The annual accounts of the Company have been prepared in accordance with the Law of 8 December 1994 on the annual accounts of insurance and reinsurance companies, and with the significant accounting policies generally accepted within the insurance and reinsurance industry in the Grand Duchy of Luxembourg. Accounting principles and valuation methods are, besides the obligations laid down by law and the Commissariat aux Assurances, defined by the Board of Directors.

3. Summary of significant accounting policies

The Company's significant accounting policies are as follows:

A | Currency conversion

The share capital of the Company is expressed in euros (EUR), the same currency is applied to express the balance sheet and the profit and loss account. Assets and liabilities denominated in currencies other than EUR are converted at the average exchange rate applicable at the closing date of the balance sheet (year end). Income and charges in foreign currencies are converted into EUR at the official exchange rate applicable on the transaction date.

B | Intangible assets

Intangible assets are recorded at the acquisition cost and depreciated on a straight line basis at 20% per year.

C | Tangible assets

Tangible assets are recorded at the historical acquisition cost. The acquisition cost contains the purchase price and any ancillary expenses. Tangible assets for which the useful economic life is limited in time are depreciated as follows:

Tangible assets	Depreciation method
Computer equipment	33.33% straight line basis
Office equipment	30% reducing balance method
Houseware	20% reducing balance method
Furniture	30% reducing balance method

Value adjustments are also made with regard to tangible assets, so that they are valued at the lower figures to be attributed to them at the balance sheet date, if it is considered that the reduction in their value will be permanent. Such value adjustments may not be continued if the reasons for which they were made have ceased to apply.

NOTES TO THE ANNUAL ACCOUNTS AS AT 31 DECEMBER 2014

(CONTINUED)

D | Shares in affiliated undertakings

Shares in affiliated undertakings are recorded at the historical acquisition cost.

If the impairment in value is of a permanent nature, the shares in affiliated undertakings are valued at the lower of acquisition cost or market at the balance sheet date. Such value adjustments may not be continued if the reasons for which they were made have ceased to apply.

E | Shares and other variable-yield securities and units in unit trusts

Equities and other variable income transferable securities and units in unit trusts are valued at the lower of acquisition cost or market value.

F | Debt securities and other fixed-income securities

Debt securities and other fixed-income transferable securities are valued at the acquisition cost or redemption value by using the following methods:

Premium paid over the redemption value is charged equally over the remaining life up to the repayment of the securities.

Discounts received in comparison with the redemption value of securities are taken to the profit and loss account in equal instalments over the remaining period up to maturity.

G | Investments for the benefit of life insurance policyholders who bear the investment risk

Investments for the benefit of life insurance policyholders who bear the investment risk are valued at the market value at the balance sheet date.

Market value represents the quoted market at the date of drawing up the annual accounts or establishing the estimated realisable value.

H | Debtors

Debtors are disclosed on the balance sheet at the lowest figure of the nominal value and the expected repayment value. Value adjustments are recorded when there is any doubt of their ability to recover. Such value adjustments may not be continued if the reasons for which they were made have ceased to apply.

I | Purchase price of assets of the same category

The Company values assets of the same category using the 'weighted average price' method.

NOTES TO THE ANNUAL ACCOUNTS AS AT 31 DECEMBER 2014

(CONTINUED)

J | Technical provisions

Sufficient technical provisions are made to enable the Company to meet its commitments resulting from insurance contracts. The reinsurers' share of technical provisions is included in the asset side of the balance sheet.

Provision for unearned premiums

Premiums earned represent premiums received or receivable for all insurance policies issued prior to the end of the year. The part of the premiums earned which relates to subsequent accounting periods - this means the entrance fee the company is entitled to - is deferred by the transfer to the provision for unearned premium, calculated individually pro rata temporis for each contract with fixed duration.

Life insurance provision

Life insurance provision, which comprises the actuarial value of the Company's liabilities after deducting the actuarial value of future premiums, is estimated separately for each insurance policy on the basis of mortality tables accepted in Luxembourg. Life insurance provision is calculated on the basis of a prospective actuarial method.

Provision for bonuses

The provision for bonuses is estimated separately for each contract.

K | Technical provisions for life insurance policies where the policyholders bear the investment risk

This item represents the technical provisions set up to cover liabilities relating to investments in the context of life policies, for which the policyholder bears the investment risk.

L | Creditors

Creditors are stated at their nominal value.

M | Acquisition costs

Acquisition costs are taken into the profit and loss account when they occur and charges relating to life insurance contracts are therefore not taken into account in the calculation of the life insurance provision.

N | Administrative expenses

Administrative expenses include costs arising from premium collection, portfolio administration, handling of bonuses and rebates, and inward and outward reinsurance. In particular they include staff costs and depreciation provisions with regard to tangible assets in so far as they are not shown under acquisition costs, claims incurred or investment charges.

O | Value adjustments

Value adjustments are deducted from the related assets.

NOTES TO THE ANNUAL ACCOUNTS AS AT 31 DECEMBER 2014

(CONTINUED)

4. Intangible assets

The changes in intangible assets, corresponding to software licences, are as follows:

	2014 EUR	2013 EUR
Net book value at the beginning of the year	888,170.25	710,804.61
Additions	409,438.45	507,958.89
Depreciation for the year	370,536.54	330,593.25
Net book value at the end of the year	927,072.16	888,170.25

5. Shares in affiliated undertakings

The Company holds 99.99% of DATA Office N.V., a limited liability company incorporated under Belgian law, amounting to EUR 10,275,858.15.

Name	Registered office	Holding %	Capital & reserve EUR	Last financial year's result EUR	Book value at 31.12.14 EUR
Data Office N.V.	Belgium	99.99%	12,311,317*	717,007*	10,275,858.15

*Audited Result

As at 31 December 2014, the unaudited shareholders' equity of this company, including the result for the year, amounted to EUR 14,164,078.20 (2013: EUR 12,311,317). The unaudited result for the year is a profit of EUR 1,813,760.79 (2013: Profit of EUR 717,007).

6. Shares and other variable-yield securities and units in unit trusts

Equities and other variable-yield transferable securities and units in unit trusts are analysed as follows:

	2014 EUR	2013 EUR
Book value	18,187,965.38	28,278,586.55
Acquisition cost	18,210,237.85	28,860,909.31
Market value	22,250,315.12	39,319,638.53

NOTES TO THE ANNUAL ACCOUNTS AS AT 31 DECEMBER 2014

(CONTINUED)

7. Debt securities and other fixed-income securities

Debt securities and other fixed income transferable securities are analysed as follows:

	2014 EUR	2013 EUR
Book value	163,418,308.37	210,949,590.25
Acquisition cost	166,573,589.42	213,100,455.26
Nominal value	159,473,205.47	206,101,371.20
Market value	170,282,951.93	218,423,870.79

Premiums (acquisition cost in excess of nominal value) not yet depreciated as at 31 December 2014 were EUR 4,236,375.69 (2013: EUR 5,551,478.04)

Discounts (nominal value in excess of acquisition cost) are divided as follows between amounts already credited and amounts not yet credited to the profit and loss account:

	2014 EUR	2013 EUR
Discounts credited to profit and loss account during the year	251,955.66	418,039.47
Discounts not yet credited to profit and loss account	291,272.78	703,258.99

As at 31 December 2014, some debt and other fixed-income securities are recorded at a book value higher than their fair value. For those items, the book value has not been adjusted because the decline in value is not estimated to be of a permanent nature; Net book value EUR 1,623,934.16 – Fair value EUR 1,623,840.00 (2013: Net book value EUR 15,521,354.27 – Fair value EUR 15,461,140.00).

NOTES TO THE ANNUAL ACCOUNTS AS AT 31 DECEMBER 2014

(CONTINUED)

8. Balances with affiliated companies

	2014 EUR	2013 EUR
Creditors arising out of direct insurance operations	40,459.24	61,824.54
Amounts owed to credit institutions	24,918.58	26,731.38
Other creditors	135,401.75	169,050.76

9. Other creditors/other debtors

The other creditors for a total amount of EUR 1,188,531.08 (2013: EUR 955,388.13) include an amount of EUR 155,966.10 for social security (2013: EUR 145,594.09). The other debtors for a total amount of EUR 10,667,360.36 (2013: EUR 11,479,211.85) include an amount of EUR 4,254,926.84 related to tax advance (2013: EUR 2,999,056.72).

10. Tangible assets

The changes in tangible assets, are as follows:

	2014 EUR	2013 EUR
Net book value at the beginning of the year	242,635.19	325,405.91
Additions	-	-
Depreciation for the year	(61,677.66)	(82,770.72)
Net book value at the end of the year	180,957.53	242,635.19

NOTES TO THE ANNUAL ACCOUNTS AS AT 31 DECEMBER 2014

(CONTINUED)

11. Capital and reserves

Changes for the year are as follows:

	Subscribed capital	Legal reserve	Unavailable reserves for wealth tax	Other reserves	Dividend paid	Result for the year
	EUR	EUR	EUR	EUR	EUR	EUR
As at 31.12.2013	25,202,025.00	2,520,202.50	11,009,973.22	1,913,037.19		16,971,292.34
Allocation of result 2013 (1)				292.34	16,971,000.00	(16,971,292.34)
Result 2014						13,635,260.59
As at 31.12.2014	25,202,025.00	2,520,202.50	11,009,973.22	1,913,329.53		13,635,260.59

The subscribed capital is represented by 9,981 shares without nominal value.

(1) according to the General Meeting of the Shareholders dated 12 March 2014.

12. Legal reserve

The Company is required under Luxembourg law to allocate annually a minimum of 5% of its statutory net profit to a legal reserve until the aggregate reserve equals 10% of the subscribed share capital. Such reserve is not available for distribution, except in the case of dissolution. No amount is required to be transferred to the legal reserve with regard to 2014, as the aggregate reserve has reached 10% of the subscribed share capital.

13. Other reserves

In accordance with paragraph 8a of the net worth tax law, the Company deducts from its tax basis for net worth tax, the net worth tax incurred during the financial year up to the amount of tax on profit. Such a deduction is subject to allocating an amount equal to five times the net worth tax deducted, to a non-distributable reserve, by a resolution at the Annual General Meeting of shareholders. Such a reserve is required to be maintained during 5 years.

NOTES TO THE ANNUAL ACCOUNTS AS AT 31 DECEMBER 2014

(CONTINUED)

14. Premiums

Gross premiums written are analysed as follows:

	2014 EUR	2013 EUR
Individual premiums	237,512,098.56	136,629,294.17
Single premiums	237,366,895.27	136,628,104.28
Regular premiums	145,203.29	1,189.89
	237,512,098.56	136,629,294.17
Premiums from bonuses contracts	1,189.89	1,189.89
Premiums from contracts where the policyholders bear the investment risk	237,510,908.67	136,628,104.28
	237,512,098.56	136,629,294.17

Premiums result from contracts with policyholders resident in the following countries:

	2014 EUR	2013 EUR
Grand Duchy of Luxembourg	42,003,030.40	9,434,008.60
Other Member States of the European Union	195,509,068.16	127,185,285.57
Other countries	0.00	0.00
	237,512,098.56	136,619,294.17

All contracts are issued in the Grand Duchy of Luxembourg.

15. Commissions

Total commissions paid to insurance intermediaries with regard to direct insurance business amount to 140,542.07 (2013: EUR 200,627.31) and are included in the acquisition costs.

16. Reinsurance result

The reinsurance result is composed as follows:

	2014 EUR	2013 EUR
Outward reinsurance premiums	(328,492.73)	(425,671.35)
Change in life insurance provision	67,478.49	(69,921.64)
Claims paid, reinsurer's share	114,013.73	27,823.72
	(147,000.51)	(467,769.27)

NOTES TO THE ANNUAL ACCOUNTS AS AT 31 DECEMBER 2014

(CONTINUED)

17. Staff

The average number of employees in the Company in 2014 was 50, divided as follows:

Categories	2014 Number of persons	2013 Number of persons
Management	2	3
Senior employees	6	5
Junior employees	42	45
Employees' costs for the year consist of:	50	53

Employees' costs for the year consist of:

	2014 EUR	2013 EUR
Salaries	4,156,319.81	3,855,509.06
Other staff costs	111,155.01	112,589.30
Social security costs*	672,762.46	721,551.93
*of which pensions	189,027.55	174,699.54
	4,940,237.28	4,689,650.29

18. Fees' expenses of the auditor

Fees' expenses related to the year of account (excl.VAT):

	2014 EUR	2013 EUR
Legal audit of the financial statements	52,541.61	58,743.00

19. Information relating to consolidation

In accordance with Article 96 of the Law of 8 December 1994 on the annual accounts and consolidated accounts of insurance and reinsurance companies, the Company is exempt from the obligation to issue consolidated accounts and a consolidated management report.

KBL European Private Bankers S.A. prepares consolidated accounts for the largest body of companies, which includes the Company as a subsidiary company.

The consolidated accounts may be obtained from the registered office of this company at 43, Boulevard Royal, L-2955 Luxembourg.

Vitis Life S.A.

2, boulevard Emmanuel Servais
L-2535 Luxembourg
tel (+352) 262 046 1
fax (+352) 262 046 399

info@vitislife.com
www.vitislife.com