VIVAT

Press release

Amstelveen, March 9, 2017

VIVAT Annual Results 2016

Business reorganised and stabilised in 2016, ready to grow in 2017

Increased profit despite accelerated reorganisation, solvency remains solid

- Accelerated reorganisation completed in 2016, bringing down the annual expense base by EUR 100 million
- Full new management team in place
- Solvency II ratio (standard model) of VIVAT NV increased to 175% at year-end 2016 from 161% at year-end 2015
- Increase in profit to EUR 159 million in 2016 (2015: EUR 109 million) despite the negative impact of reorganisation costs and the hail storm
- Strong commitment of shareholder, evidenced by refinancing loans and providing additional subordinated loans to support growth initiatives
- Decrease in gross premiums as a result of the individual life market shrinking; premiums Life Corporate and P&C remained stable in a very competitive market

Ron van Oijen, Chairman of the Executive Board:

“Reorganisation and stabilisation was the company’s priority in 2016, the first full year following the acquisition by Anbang. A new organisational structure has been implemented with a full new management team in place. Various aspects of the strategy changes initiated in 2015 were accelerated, aimed at structurally improving VIVAT’s foundations and creating a leading, customer-centric and innovation-driven insurance company that can respond to market developments effectively.

By reducing our work force by one third in 2016, instead of the previously anticipated three years, we have ended a period of uncertainty for our colleagues and will be able to reap the benefits of the changes at an earlier stage.

In a year of transition, we managed to improve the results, even though it was negatively impacted by the reorganisation costs and the severe hail storms in June. Business processes and the organisational structure were simplified resulting in a leaner and more robust organisation. Much effort was also put into reducing the combined ratio of the P&C product line, which improved the result of P&C in spite of the severe weather claims.

The Solvency II ratio has increased significantly since the capital injection by Anbang. This allowed VIVAT to start optimising its investment portfolio. Good progress was made in this regard in 2016, as a result of which investment income is expected to increase. The strong support of our shareholder was again evidenced this year by refinancing existing loans and providing additional subordinated loans to support growth initiatives.

The transition last year bodes well for the future, largely due to the efforts, flexibility and proactive attitude of our colleagues who are committed to the renewed organisation and to putting customers’ interests first.

Although VIVAT is still operating in a challenging environment, we are ready to grow the business in 2017.”

VIVAT

VIVAT key figures

In € million	FY 2016	FY 2015	Change
Solvency II ratio VIVAT*	175%	161%	14%-pts
Equity	3,698	3,451	247
Gross premium income	2,508	2,622	-/- 114
Profit for the period	159	109	50
Total assets (€ billion)	58.8	60.3	-/- 1.5
Assets under management (€ billion)	54.6	52.1	2.5

* Solvency II ratio is not final until filed with the regulator. Full year 2015 figure is day 1 figure as filed with the regulator.

Capital and solvency position
VIVAT NV calculates its position under Solvency II using the standard formula without equity transitional measures and a LAC DT of 0%. The Solvency II ratio of VIVAT NV increased from 161% at year-end 2015 to 175% at year-end 2016. This increase was driven by an additional tier 2 subordinated loan provided by the shareholder, balance sheet optimisation and favourable market movements.

Commercial developments
Gross premium income of VIVAT in 2016 was EUR 114 million lower than in 2015. This was mainly caused by a shrinking portfolio in Individual Life as a result of a declining market. Premium income from the product lines P&C and Life Corporate remained fairly stable compared to 2015.

Financial result
The net IFRS result of VIVAT in 2016 amounted to EUR 159 million. This is EUR 50 million higher than reported in 2015 (EUR 109 million). Higher restructuring costs were offset by realised cost savings, improved technical results P&C and higher investment income for the product lines Individual Life and Life Corporate. The positive impact of the change, year-on-year, in the LAT-shortfall on the financial result of 2016 (EUR 59 million) was almost equal to the change in 2015 (EUR 52 million).

Balance sheet
Total assets of VIVAT decreased by EUR 1.5 billion mainly due to the optimisation of its reinsurance program which lowered both the assets and liabilities, partly compensated by additional subordinated loans and market revaluations. Assets under management of ACTIAM increased by EUR 2.5 billion, as a result of third party inflow and market developments.

Progress on strategy
Structural cost reductions, a lean organisation and streamlined business processes are the key stabilisation components. Due to our increased efforts in 2016, the planned reduction in the number of employees was accomplished significantly sooner than anticipated. The objective of reducing the workforce by a third before the end of 2018 was fully achieved in 2016.

Some 1,200 employees have left the company, which means that VIVAT will continue its operations with around 2,500 employees. Total severance costs amounted to approximately EUR 120 million in 2016. However, future employee expenses have been reduced annually by EUR 100 million. Moreover, the number of offices has been reduced and rationalisation of the IT landscape has resulted in lower

IT-related costs. VIVAT is also striving to further digitise its processes to make the organisation more efficient and customer-centric.

VIVAT also started an extensive programme to reduce the combined ratio (COR) of the P&C product line. The COR decreased in 2016 from 109% to 105% (102% excluding severe weather claims). Much effort was put into refining the pricing and underwriting capabilities and loss-making portfolios were rationalised and converted. In spite of a large number of exceptional weather claims following the severe hailstorms in June, P&C managed to improve the performance of its portfolio, paving the way for a profitable future.

Measures aimed at structurally improving profitability in other areas include changes in the asset mix to increase the return on the investment portfolio. The capital injection by Anbang enabled and will enable VIVAT to partly reverse the de-risking policy applied to this portfolio over the past few years.

A new Chief Executive Officer, a Chief Commercial Officer and a Chief Operating Officer were appointed in 2016. The Executive Board now consists of seven members and is closely connected to the business operations.

Furthermore, the organisation has been restructured from a business unit model to a matrix model based on the product lines Property & Casualty, Individual Life, Life Corporate and Asset Management. All digitisation-related activities have been grouped to form a new unit under the name Digital. New general managers have been appointed for each of the product lines.

VIVAT is ready to grow in 2017. The aim is to better serve consumers with our brands Reaal and Zwitserleven. More than before, an omni-channel approach will be applied including more online services. The aim is to improve or strengthen our position across the board. Due to its distinctive, responsible investment policy, asset manager ACTIAM is one of our key resources. Recognition of this policy in 2016 was reflected in the high score in the Fair Insurance Guide (Eerlijke Verzekeringswijzer) and the receipt of the prestigious International Climate Award.

VIVAT has created new foundations which we can continue to build on in the future. In addition to more financial security, close collaboration with our parent company Anbang provides us with access to exceptional expertise in the area of digital services. This will enable VIVAT to make fast progress in this field. Big data analysis further improves our ability to identify customers' needs and the use of advanced techniques allows us to work faster and more efficiently. Furthermore, VIVAT is increasing its power to innovate by establishing new, strong relationships with start-ups and non-financials which will enable VIVAT to quickly and adequately respond to the latest market trends.

For information

Corporate Communication
Elvira Bos
+31 (0)6 83245014
elvira.bos@vivat.nl

Investor Relations
Victor Zijlema
+31 (0)6 23917718
victor.zijlema@vivat.nl

About VIVAT

VIVAT NV is the holding company for, among others, SRLEV NV, Reaal Schadeverzekeringen NV, Proteq Levensverzekeringen NV, ACTIAM NV and Zwitserleven PPI NV. The subsidiaries of VIVAT are also active on the Dutch market with, among others, the Zwitserleven, Reaal and ACTIAM brands. A balance sheet total of around EUR 59 billion (year end 2016) makes VIVAT one of the larger insurers in the Netherlands. Anbang Group Holdings Co. Ltd., a subsidiary of Anbang Insurance Group Co. Ltd., has been the sole shareholder of VIVAT NV.

For more information please visit www.vivat.nl.
LinkedIn: www.linkedin.com/company/vivat-verzekeringen
Twitter: @VIVATVerz

Disclaimer

This press release exclusively contains factual information and must not be interpreted as an opinion or recommendation with regard to the purchase or sale of securities issued by VIVAT NV and/or one or more of its subsidiaries. This press release does not contain any value judgements or predictions with regard to the financial results of VIVAT NV and/or its subsidiaries. If you do not wish to receive any press releases from VIVAT, please send an email to info@vivat.nl.

All figures in this document are unaudited.