VIVAT

Press release

Amstelveen, September 5, 2017

VIVAT Interim Results 2017 Update

Strategic choices and transformation start to pay off

Net underlying result up driven by lower costs and strong improvement combined ratio P&C; solvency remains robust

- Increase of net underlying result to EUR 73 million in 1H17 (1H16: EUR 53 million) as a result of lower costs (-20%) and strong improvement of combined ratio P&C (1H17: 99.1%; 1H16: 111.8%)
- IFRS net result 1H17 of EUR 60 million negative was lower than 1H16 (EUR 578 million) driven by changes in the shortfall of the liability adequacy test (LAT) as a result of market movements
- Successful issuance by VIVAT NV of EUR 650 million senior notes to institutional investors; EUR 250 million of proceeds provided to SRLEV NV as restricted Tier 1 loan in June 2017
- Solvency II ratio (standard model) of VIVAT NV remains robust at 171% 1H17 from 175% at year-end 2016; Solvency II ratio (standard model) of SRLEV NV increases to 162% 1H17 (149% YE16)
- Liquidity position[1] holding end June 2017 at EUR 664 million (EUR 267 million YE16)
- Increase of gross written premiums supported by a pension fund buy-out
- Investment policy of Zwitserleven voted as most responsible for the 5th consecutive time
- Increased customer and intermediary satisfaction following reorganisation

Ron van Oijen, Chairman of VIVAT's Executive Board:

"Last year's efforts to transform the business have proven to be successful in the first half year of 2017. Our operating costs are reduced by 20% and the combined ratio of our P&C business improved to below 100%. This resulted in a net underlying result of EUR 73 million, a considerable increase compared to the first half year of 2016. Also our aim to create a leading, customer-focused and innovation-driven insurance company is progressing well. The Net Promotor Scores of our main brands have improved further and intermediaries consistently rank us high in surveys. In order to bring VIVAT in the top 5 of innovative insurers by year-end, innovation days for our employees and intermediaries were organised to accelerate innovation. We are proud that our consistent efforts to be a responsible investor were rewarded for the 5th consecutive time.

In May 2017 VIVAT successfully accessed the capital markets via the issuance of EUR 650 million senior notes. This was the first time the holding company accessed the capital markets. Of these proceeds EUR 250 million were provided to SRLEV in June, VIVAT's main life subsidiary, as a restricted Tier 1 loan. This strengthened SRLEV's capital position and will support future growth. The Solvency II ratio of SRLEV increased therefore to 162% whilst the Solvency II ratio of VIVAT remained with 171% at a robust level. This underpins VIVAT's independent status and focus on growth.

Our ambition to grow the business in 2017 was supported by a buy-out of a pension fund of around EUR 375 million single premium which increased gross written premiums to EUR 1.7 billion. Gross written premiums within P&C remained stable whilst a lot of effort was put in optimising the customer portfolio and customer based pricing to improve its performance.

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[1] Including cash, cash equivalents, money market funds and short term government bonds

VIVAT will continue to focus on our customers, innovation and further improvement of its business performance. Contacts with our intermediaries are reinforced. Focusing on innovation, VIVAT will continue to cooperate with start-ups and accelerators in search for new business opportunities. Next to that we invest in data science by cooperating with universities starting up data programs for our employees. Further efforts will be made in optimising our investment portfolio and in finalising the rationalisation of our IT landscape which will help VIVAT with the integration of potential interesting acquisitions.

The first half year of 2017 shows that VIVAT is delivering on its strategy, helped by the efforts of our employees who are committed to the renewed organisation and we are confident that we will continue to do so in the remainder of 2017 and onwards."

VIVAT key figures

in € millions	1H17	FY16
Solvency-II ratio VIVAT	171%	175%
Equity	3,643	3,698
Total Assets (€ billions)	57.8	57.8
Assets under management (€ billions)	54.1	54.6

in € millions	1H17	1H16
Result		
Premium Income	1,704	1,336
Operating expenses (excl. Restructuring costs)	183	228
Restructuring costs	0	77
Net Result IFRS	-60	578
Net Underlying Result VIVAT[1]	73	53

[1] Net Underlying Result consists of Net Result IFRS excluding changes in fair value of assets and liabilities (incl. LAT-shortfall) and non-recurring expenses (e.g. restructuring costs and impairments).

Capital Management

In May 2017 VIVAT issued EUR 650 million senior notes to institutional investors. This was the first time the holding company accessed the capital markets. In June 2017 VIVAT NV provided a EUR 250 million restricted Tier 1 loan to SRLEV NV to strengthen SRLEV's capital position and support its future growth. This has a positive impact on the Solvency II ratio of SRLEV of 11%-points. The remainder of the proceeds of the senior note issuance has strengthened the liquidity position of VIVAT's holding company. The liquidity position has increased from EUR 267 million at YE 2016 to EUR 664 million at the end of June 2017 mainly as a result of the debt issuance.

In order to mitigate underwriting risks, VIVAT has entered into a mass lapse risk transfer agreement. This has a positive impact on the Solvency II ratio of VIVAT and SRLEV of 4%-point.

The Solvency II ratio of SRLEV increased from 149% at YE 2016 to 162% as of 30 June 2017. This increase was largely driven by the restricted Tier 1 loan. The positive impact of the mass lapse reinsurance was offset by the negative impact of market developments (volatility adjustment and spreads).

VIVAT's Solvency II ratio changed from 175% at YE 2016 to 171% as of 30 June 2017, mainly due to a decrease in diversification benefits arising from a change of the direction of the interest rate risk as used in calculating the Solvency Capital Requirement (SCR) according to the standard formula of Solvency II. The restricted Tier 1 loan has no impact on the own funds of VIVAT.

in € millions/percentage	1H17	1H16
Eligible own funds VIVAT NV	4,120	4,319
Consolidated Group SCR	2,405	2,466
Solvency II Ratio VIVAT NV	171%	175%
Eligible own funds SRLEV NV	3,511	3,424
Consolidated SRLEV SCR	2,172	2,295
Solvency II Ratio SRLEV NV	162%	149%

Balance Sheet

Total assets remained stable compared to FY 2016. Increased market interest rates caused a decline in the value of fixed income investments and financial instruments. This decline was offset by the proceeds of the senior notes in May 2017 and the inflow of the premium from the pension buy-out.

The insurance liabilities decreased due to market interest rate movements.

Assets under management of ACTIAM decreased by EUR 0.5 billion mainly as result of market movements.

Commercial development

Premium income strongly increased to EUR 1,704 million as a result of a pension fund buy-out within Life Corporate. Excluding this buy-out (impact EUR 375 million) income for all product lines remained stable compared to the first half of 2016.

Financial result

The net result IFRS of VIVAT in 1H17 (EUR -60 million) is negatively impacted by unfavorable market developments resulting in an addition to the technical provisions from the LAT-shortfall of EUR 161 million. In 1H16 the net result of EUR 578 million was mainly driven by exceptional market developments, resulting in a release from technical provisions as a result of the change in the LAT-shortfall of EUR 587 million partly mitigated by restructuring costs of EUR 58 million net.

The net underlying result improved from EUR 53 million in 1H16 to EUR 73 million in 1H17. This increase was mainly driven by lower operating expenses in the product lines Life Corporate, Individual Life and Property & Casualty. The result of the segment 'Other', which includes the Holding and other participations, decreased as a result of higher interest expenses due to funding activities and higher operating expenses relating to strategic projects.

The interest expenses on the outstanding debt of the holding (VIVAT NV) can be covered by the expected interest received on the subordinated loans that VIVAT NV provided to its subsidiaries going forward.

In the table below the reconciliation of the net underlying result to net result IFRS is presented:

in € millions	1H17	1H16
Net Underlying Result VIVAT	**73**	**53**
1) Change LAT shortfall Life in P&L	-161	587
2) Other (un)realised changes in fair value of assets and liabilities	28	-4
3) Non-operating expenses and profits	0	-58
Net Result IFRS VIVAT	**-60**	**578**

1) The change of the LAT shortfall is a result of the (market) movements in interest, credit-spreads and inflation. Also changes in expectations of costs, technical parameters, models and update of portfolio(data) are taken into account.

2) Other (un)realised changes in fair value of assets and liabilities which effect IFRS result. This mainly relates to realised gains on equity investments (not in LAT) and result on hedges.

3) Non-operating expenses & profits relate to incidental items (> € 10 million) with a non-operational nature. For example provisions for restructuring and impairments of intangible assets.

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Financial result per segment

Life Corporate

in € millions	1H17	1H16
Result		
Gross Written Premium Income	923	552
Operating expenses	51	66
Restructuring costs	0	43
Total costs	**51**	**109**
Net result IFRS	**-125**	**550**
Net Underlying Result	**12**	**5**

Gross premium income increased with 67% compared to 1H16 predominantly as a result of a pension fund buy-out in 2017.

The net result IFRS decreased by EUR 675 million to EUR -125 million compared to the same period last year. Last year's restructuring program resulted in a reduction of the operating expenses during the first half of 2017. However, the aforementioned positive impacts have been more than offset by additions to the provisions due to a LAT shortfall. Due to less favourable market conditions this year EUR 161 million is added to the provisions due to a LAT shortfall while EUR 587 million was released in 1H16.

The net underlying result increased by EUR 7 million to EUR 12 million mainly caused by a better technical result and lower expenses, partly mitigated by an addition to a provision for administration expenses.

Individual Life

in € millions	1H17	1H16
Result		
Gross Written Premium Income	448	454
Operating expenses	44	78
Restructuring costs	0	23
Total costs	44	101
Net result IFRS	**79**	**51**
Net Underlying Result	**73**	**72**

Gross premium income decreased by 1% compared to 1H16 mainly as a result of the shrinking individual life market. The decrease in the regular premium is partly offset by an increase in single premium. Net premium income was up as a result of higher own retention due to the optimisation of the reinsurance program.

The net result IFRS increased by EUR 28 million to EUR 79 million compared to the same period last year due to lower operating expenses. This is a result of cost savings achieved by last year's restructuring program. The lower operating expenses were largely mitigated by a lower cost coverage, technical result and last year's one-off in fee income. The focus of individual life remains to further reduce costs, increase retention and customer centricity.

The net underlying result remained stable at EUR 73 million compared to 1H16, mainly as lower costs were mitigated by a lower cost coverage, a lower technical result and a positive one-off in last year's fee income.

Property & Casualty

in € millions	1H17	1H16
Result		
Gross Written Premium Income	333	330
Operating expenses	51	62
Restructuring costs	0	11
Total costs	**51**	**73**
Net result IFRS	**-3**	**-33**

Net Underlying Result	**0**	**-30**
Combined Ratio (COR)	**99.1%**	**111.8%**

Gross premium income in 1H17 was marginally higher than in 1H16. Operating expenses are considerably lower as a result of the 2016 restructuring program.

The net IFRS result improved by EUR 30 million to EUR -3 million compared to 1H16. The 1H17 net underlying result is also EUR 30 million higher than the same period last year. This improvement is driven by an improved net technical result (EUR 25 million), lower operating expenses (EUR 7 million net) partly mitigated by a lower underlying investment income (EUR 2 million). The improvement of the net technical result is attributable to increased technical results in disability, liability insurance and the negative impact of the hail storm in June 2016 (EUR 18 million), which heavily impacted the 1H16 results.

The improvement of the COR is attributable to an improvement in the claims ratio due to a better technical result and a lower expense ratio. Excluding the hail storm in 2016 the COR has improved by 5.6%-point (COR excluding hail storm 1H16 was 104.7%).

ACTIAM

in € millions	1H17	1H16
Result		
Net fee and commission income	21	19
Operating expenses	21	18
Restructuring costs	0	0
Total costs	**21**	**18**
Net result IFRS	**0**	**1**

Net Underlying Result	**0**	**1**
Assets under management (€ billions)	**54.1**	**55.9**

The assets under management development for ACTIAM in 2017 is showing a decline of EUR 0.5 billion compared to FY16. In 1H16 the assets under management were inflated by exceptional market circumstances (Brexit).

The net fee impact of the decline in captive business is less than the increase in fees for the growing third party retail business, leading to a marginal higher margin for ACTIAM overall. Operating expenses increased as a result of new initiatives following the revised strategy and an updated cost allocation from VIVAT staff departments since year end 2016 which led to a lower result. In July 2017 ACTIAM outsourced its middle and back office activities to BNP Paribas which will help lower the cost base going forward.

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Balance Sheet

in € millions	1H17	FY16
Statement of financial position		
Total assets	**57,766**	**57,800**
Investments	39,608	38,294
Investments for account of policyholders	13,351	14,251
Loans and advances to banks	1,526	960
Shareholders' equity	**3,643**	**3,698**
Total liabilities	**54,123**	**54,102**
Insurance liabilities	46,897	47,617
Subordinated debt	1,020	1,047
Senior debt	642	0
Amounts due to banks	1,958	1,353

Investments (for own risk) increased mainly as result of the cash inflow from the issued senior debt and a transfer of a portfolio from investments for account of policy holders. This was partly offset by changes in the market value of fixed income securities as a result of increased market interest rates. Loans and advances to banks increased mainly as result of paid cash collateral for financial instruments.

Insurance liabilities decreased mainly as a result of increased market interest rates causing a lower market value of technical provisions. This decrease is including an addition to the insurance liabilities due to the increase of the LAT shortfall (EUR 161 million after taxes). On the asset side of the balance sheet this was offset by a lower market value of investments and financial instruments. Amounts due to banks increased largely due to liabilities of repo agreements.

Interim consolidated balance sheet VIVAT NV

in € millions	1H17	FY16
Assets		
Intangible assets	2	4
Property and equipment	71	74
Investments in associates	7	7
Investment property	381	274
Investments	39,608	38,294
Investments for account of policyholders	13,351	14,251
Investments for account of third parties	833	1,387
Derivatives	729	1,091
Deferred tax assets (net)[1]	448	426
Reinsurance share	209	223
Loans and advances to banks	1,526	960
Corporate income tax	25	44
Other assets	320	355
Cash and cash equivalents	256	410
Total assets	**57,766**	**57,800**
Equity and liabilities		
Share capital[2]	0	0
Other reserves	3,703	3,539
Retained earnings	-60	159
Shareholders' equity	**3,643**	**3,698**
Subordinated debt	1,020	1,047
Senior debt	642	0
Insurance liabilities	46,897	47,617
Liabilities investments for account of third parties	833	1,387
Provision for employee benefits	526	578
Other provisions	85	150
Derivatives	721	486
Amount due to banks	1,958	1,353
Other liabilities	1,441	1,484
Total equity and liabilities	**57,766**	**57,800**

[1] In the Annual Report of VIVAT NV 2016 deferred tax assets and deferred tax liabilities were presented as separate line items. For a better compliance with IFRS guidelines these two items have been netted in the Press Release of June 2017.

[2] The issued and paid up share capital of VIVAT NV is € 238.000

Interim consolidated profit or loss VIVAT NV

in € millions	1H17	1H16
Income		
Premium income	1,704	1,336
Less: Reinsurance premiums	25	36
Net premium income	1,679	1,300
Fee and commission income	53	76
Fee and commission expense	15	15
Net fee and commission income	38	61
Share in result of associates	0	0
Investment income	539	874
Investment income for account of policyholders	128	753
Result on derivatives	-346	358
Total income	**2,038**	**3,346**
Expenses		
Technical claims and benefits	1,859	1,174
Charges for account of policyholders	-68	964
Acquisition costs for insurance activities	82	76
Staff costs	140	246
Depreciation and amortisation of non-current assets	5	7
Other operating expenses	38	52
Impairment losses	1	5
Other interest expenses	62	51
Other expenses	0	0
Total expenses	**2,119**	**2,575**
Result before taxation	**-81**	**771**
Taxation	21	-193
Net result continued operations for the period	**-60**	**578**

Net underlying result	**73**	**53**

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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 EUR 58 billion (end June 2017) makes VIVAT one of the larger insurers in the Netherlands. Anbang Group Holdings Co. Ltd., a full subsidiary of Anbang Insurance Group Co. Ltd, is the sole shareholder of VIVAT NV. For more information please visit vivat.nl

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As per June 30 2017 the same accounting principles have been applied as per December 31 2016 for the annual report 2016 of VIVAT NV.

All figures in this document are unaudited.