VIVAT
FY 2018 Results

VIVAT 2018 at a Glance

Our performance

Gross premium income	Operating expenses	Net underlying result	Solvency II VIVAT	Solvency II SRLEV	Available liquidity holding	Combined Ratio P&C
2,842 mln EUR	370 mln EUR	239 mln EUR	192%	188%	535 mln EUR	96.8%
2017: 2,923mln EUR	**2017:** 386 mln EUR	**2017 :** 172 mln EUR	**2017:** 162%	**2017:** 158%	**2017:** 653 mln EUR	**2017:** 99.0%

Highlights

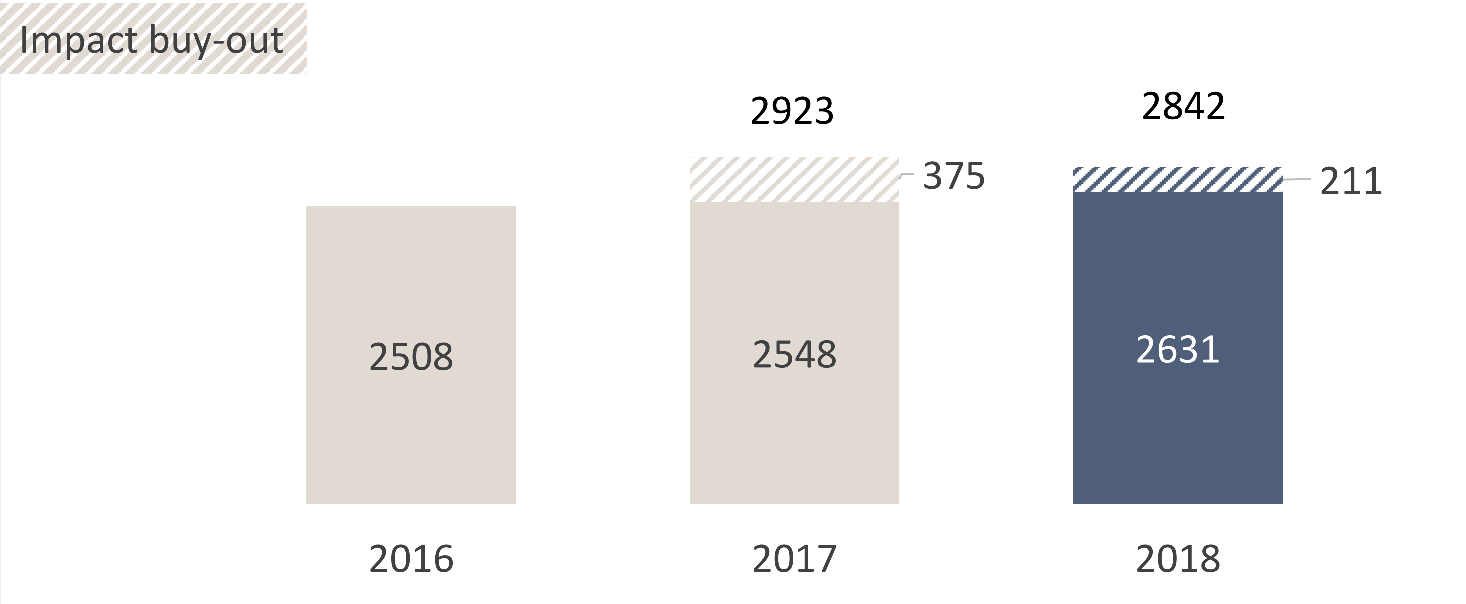
- Net underlying result at EUR 239 million (2017: EUR 172 million), positively impacted by higher interest income from the interest rate derivatives portfolio and further cost reductions
- Combined ratio improved to 96.8% including the impact of the January storm (2017: 99.0%)
- Gross written premiums up 3% due to higher premiums for Life Corporate and Property & Casualty (excluding lump sum pension fund buy-outs in both 2017 and 2018)
- Total operating costs down 4% compared to 2017
- IFRS net result of -/- EUR 284 million negatively impacted by a longevity reinsurance transaction, adjustment of the DTA-position and additions to the Liability Adequacy Test (LAT) shortfall

- SRLEV NV signed a longevity reinsurance transaction which lowered its exposure to the largest single risk, as also reflected in the Solvency Capital Requirement (SCR) and had a 14 %-points positive impact on SRLEV's Solvency II ratio (standard model)
- Solvency II ratio (standard model) of VIVAT NV increased to 192% (162% at YE17) mainly as a result of the longevity reinsurance transaction, the Restricted Tier 1 issuance and an increase of the Volatility Adjustment (VA), partly offset by the ongoing re-risking activities
- Sovereign investment exposure decreased to 57% in the investment portfolio (66% YE17) as re-risking was continued

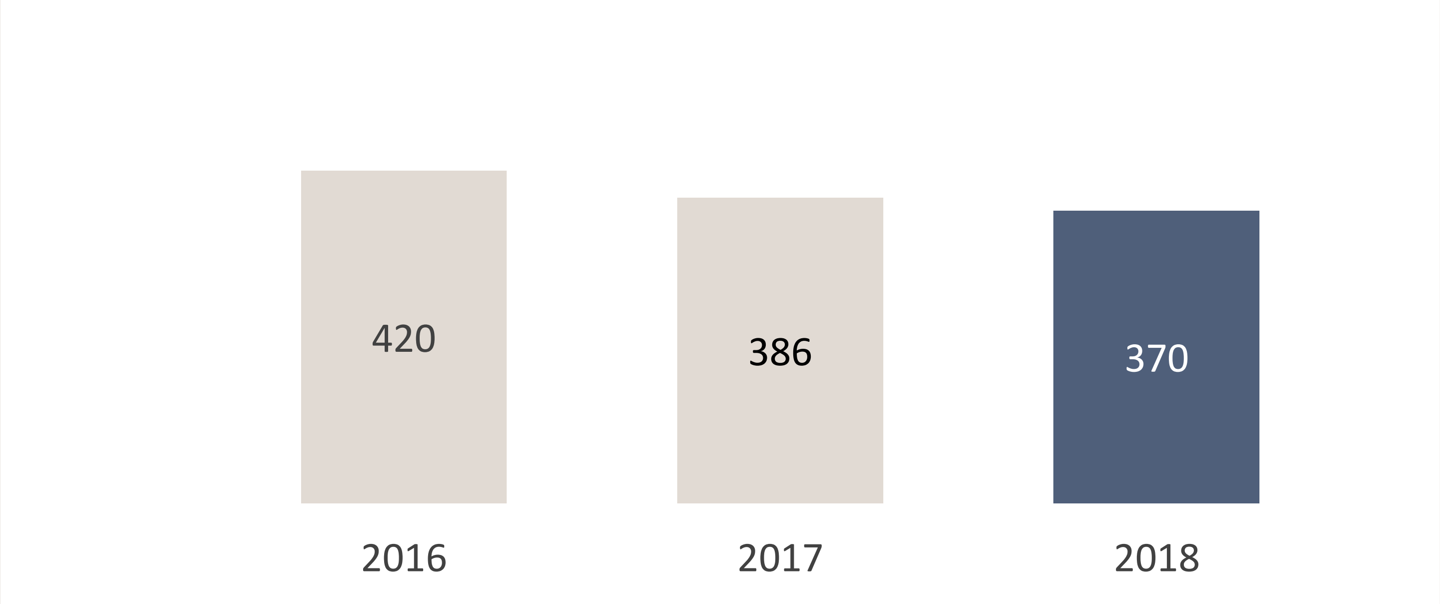
- Strategic review regarding ownership of VIVAT by Anbang in progress

VIVAT: Strong progress on all strategic themes

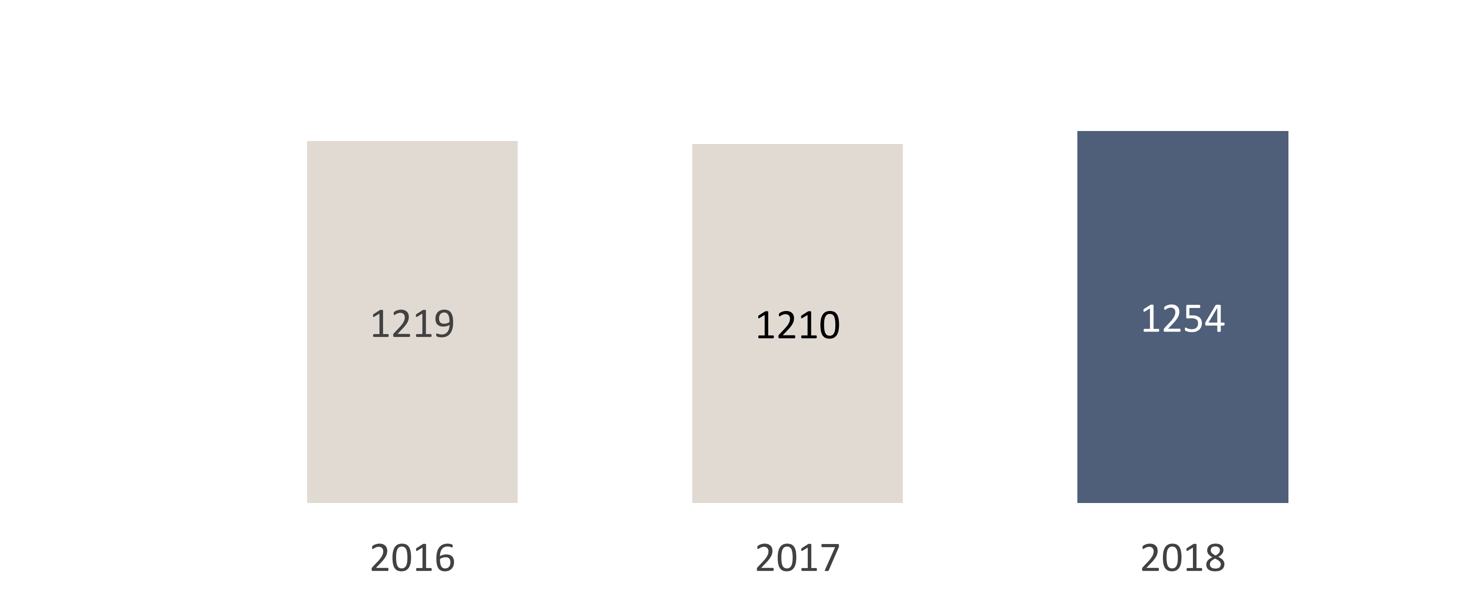
Gross Premiums (€ mln)



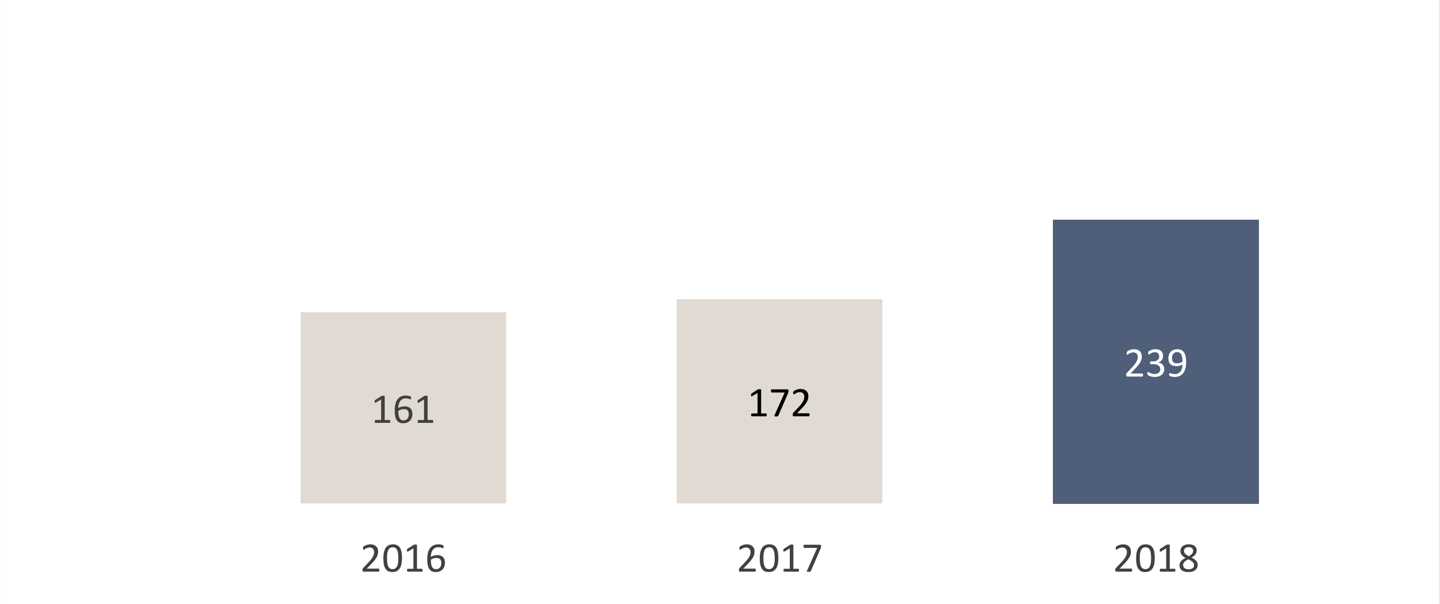
Total Operating Costs (excl. restructuring costs, € mln)



Direct Investment Income (€ mln)

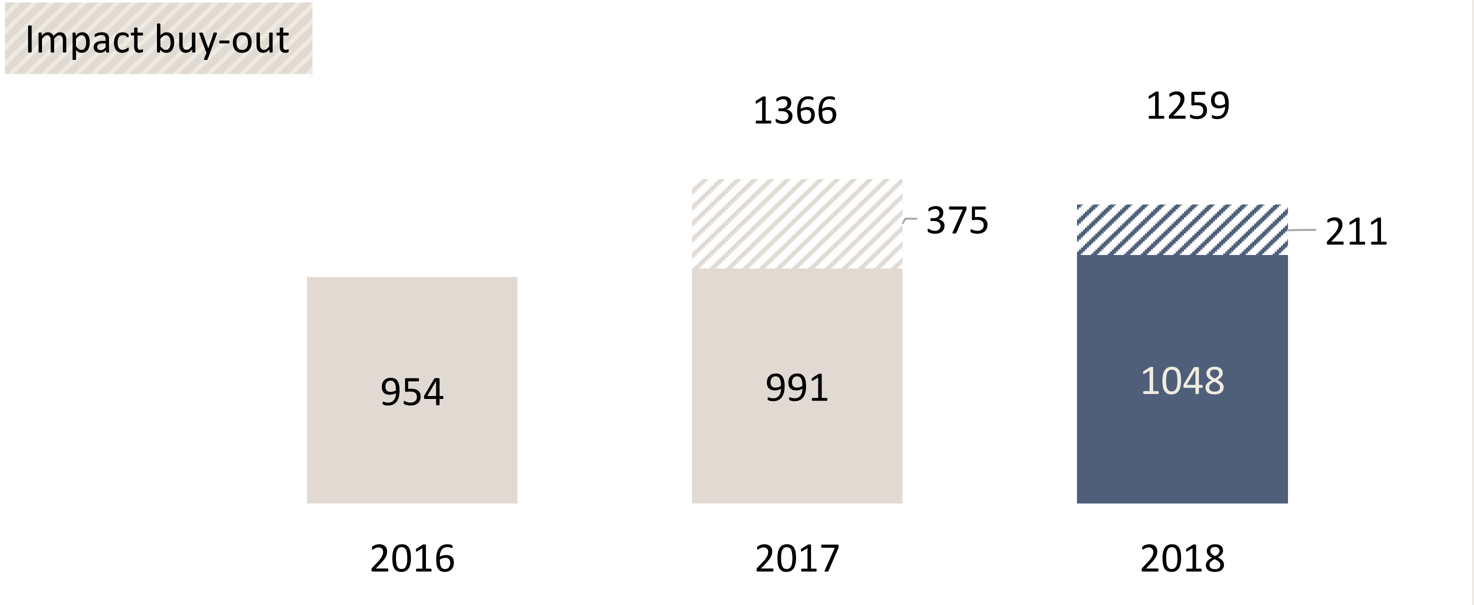


Net Underlying Result (€ mln)

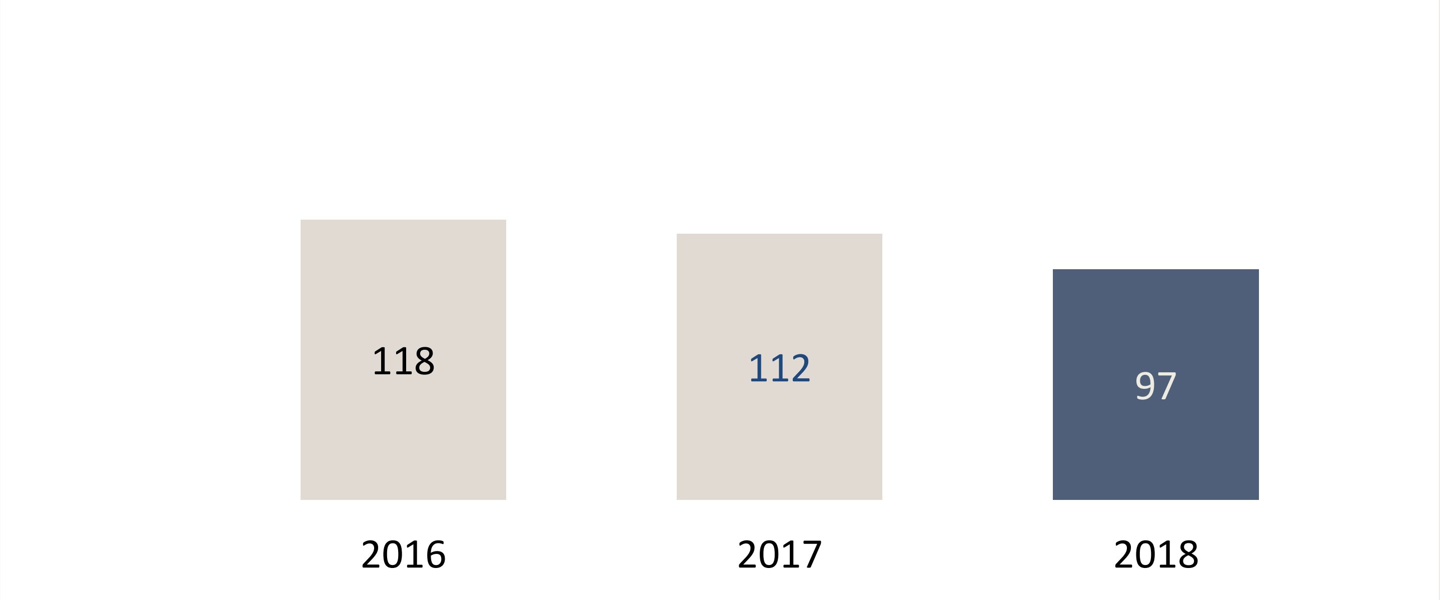


Product Line Life Corporate: Strong commercial and financial performance

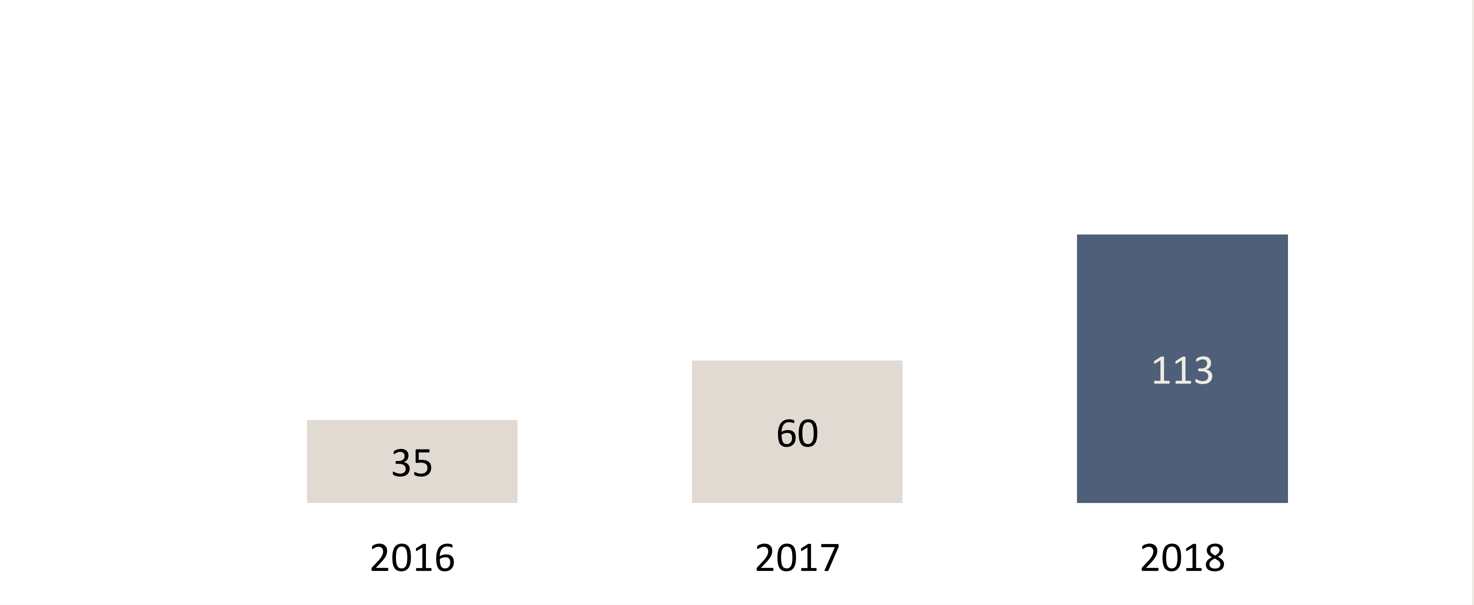
Gross Premiums (€ mln)



Total Operating Costs (excl. restructuring costs, € mln)



Net Underlying Result (€ mln)

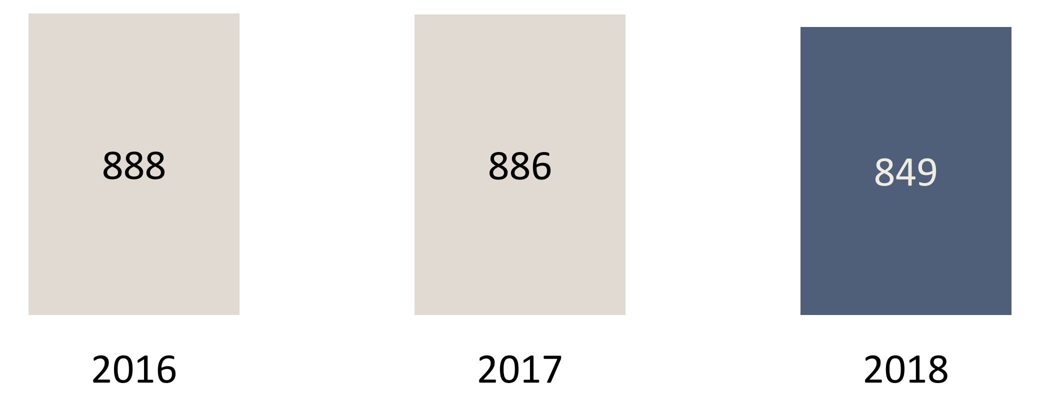


Comments

- Life Corporate had a strong commercial year. The customer retention rate increased from 67% last year to 88% in 2018, and market share new business increased from 18% to 34%. This resulted in an increase of 6% of the gross premium income compared to 2017, excluding the lump sum pension fund buy-outs in both years (EUR 375 million in 2017 and EUR 211 million in 2018) Also the annual deposits of Zwitserleven PPI showed a strong increase of 58%. Including buy-outs, gross premium income decreased by 8% compared to 2017
- Lower operating expenses were mainly a result of lower internal and external staff costs following cost saving initiatives
- The NUR increased by EUR 53 million to EUR 113 million primarily due to higher interest income from the interest derivatives portfolio (which also increased the direct investment income) and lower operating expenses

Product Line Individual Life: Performing well in a shrinking market

Gross Premiums (€ mln)



Total Operating Costs (excl. restructuring costs, € mln)

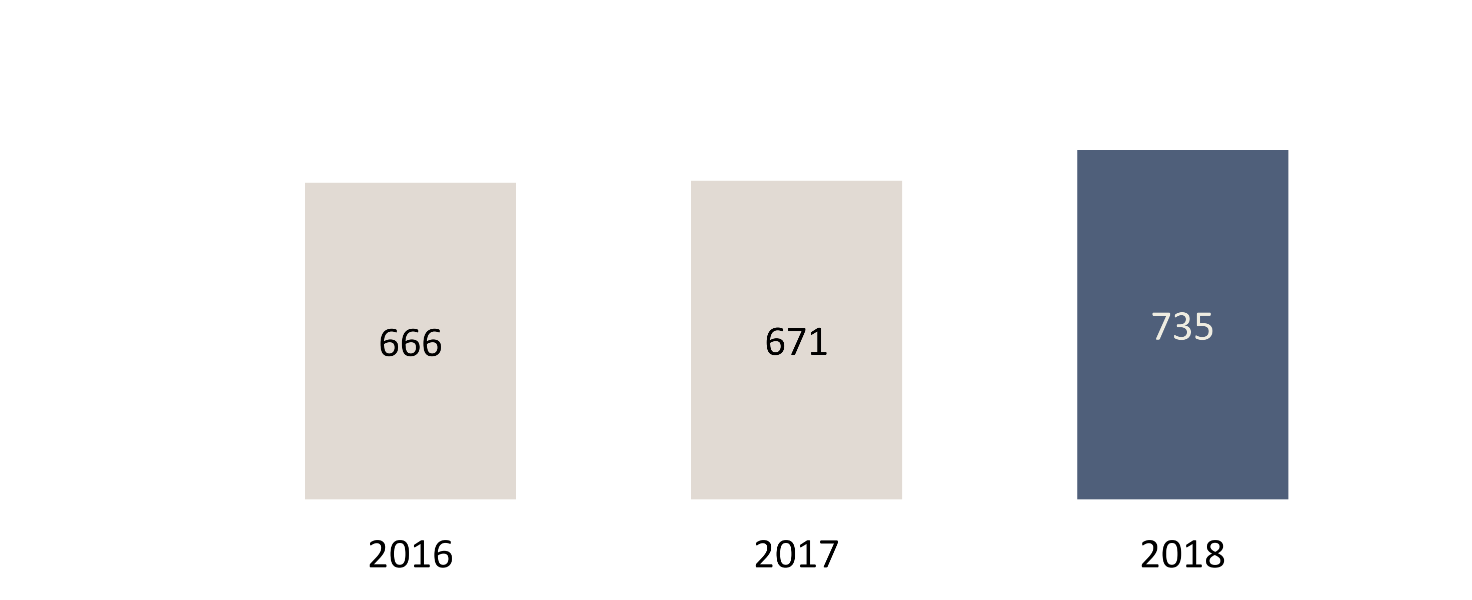
Net Underlying Result (€ mln)

Comments

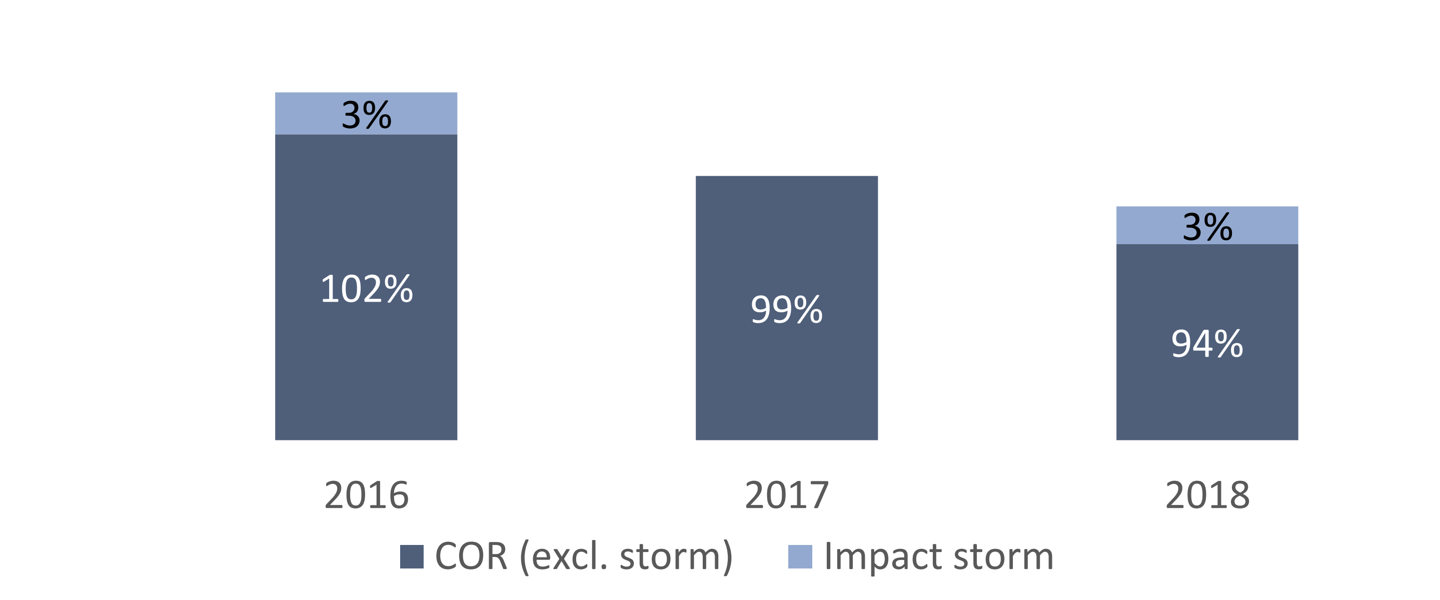
- Gross premium income slightly decreased in line with market developments, driven by a decrease in regular premiums, partly offset by an increase in single premium due to high production levels of direct annuities (DIL)
- Direct investment income decreased as a result of the shrinking investment portfolio, lower saving mortgages (with an opposite movement in technical claims and benefits) and lower intercompany interest (with an opposite movement in other interest expenses)
- Operating expenses are lower than 2017 due to realised costs savings
- The NUR result increased by EUR 3 million to EUR 136 million, mainly due to a higher result on interest offset by a lower technical result mainly from surrenders and lower cost coverage following the decline of the insurance portfolio

Product Line Property & Casualty: Combined ratio including storm below 97%

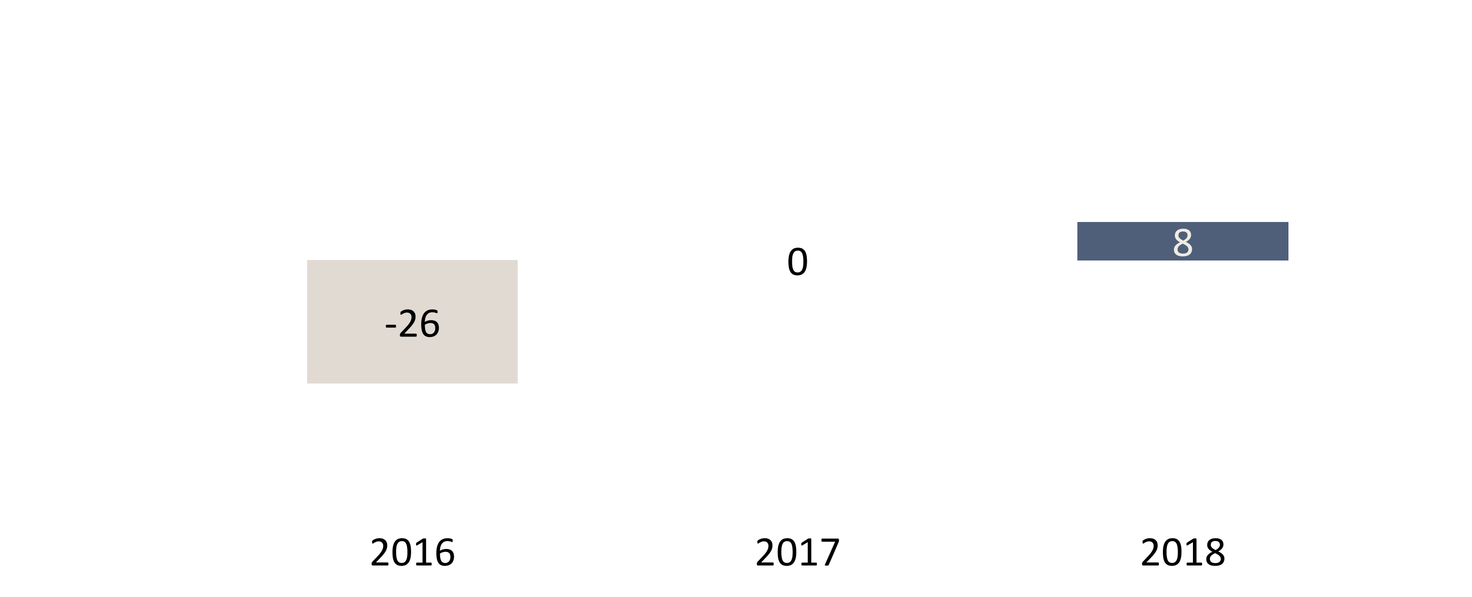
Gross Premiums (€ mln)



Combined Ratio (COR) Property & Casualty



Net Underlying Result (€ mln)



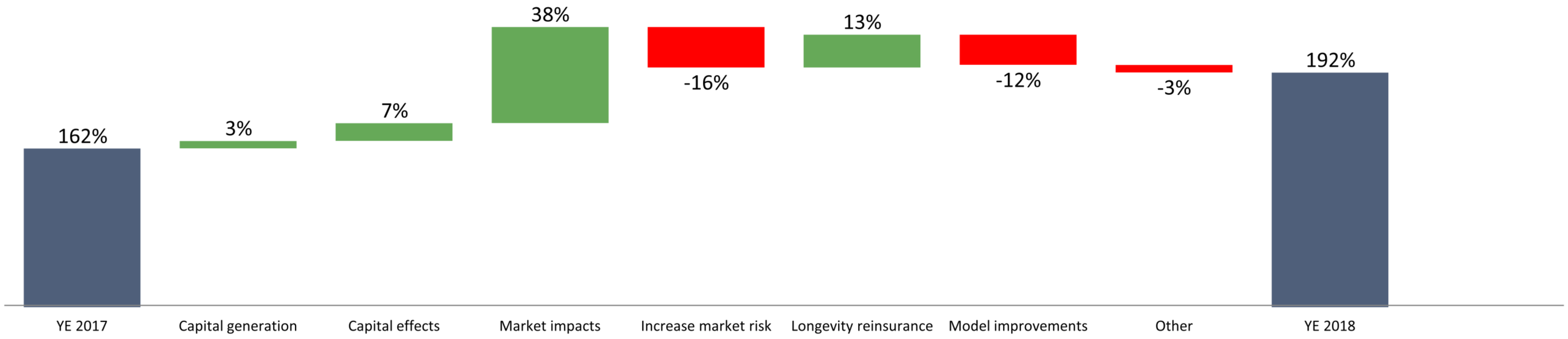
Comments

- Gross premium income increased by 10% in 2018 to EUR 735 million compared to 2017. This is attributable to growth in all areas of the portfolio and a release of the unearned premium reserve linked to authorised agents due to an improvement of in-depth portfolio data
- The COR of 96.8% improved by 2.2 %-point compared to 2017. This improvement is driven by a lower expense ratio. In addition, the improvement is driven by a slightly improved claims ratio (net of reinsurance ratio). Excluding the storm in January 2018 the COR improved by 4.9 %-point
- The NUR is higher in 2018 because of an improved technical result. The technical result has improved because of positive developments in the most recent accident years (mainly in Fire) and a release from the unearned premium reserve (net impact EUR 10 million)

VIVAT's Solvency II ratio increased due to longevity reinsurance, RT1 issuance and increase in the VA, partly offset by impact of re-risking

- VIVAT's Solvency II ratio increased from 162% at YE17 to 192% at the end of 2018
- Market impacts, mainly due to the increase in the VA from 4 to 24 bps, had a positive impact of 38 %-points on the Solvency II ratio
- Capital effects, which include the issuance of EUR 300 million RT1 notes partly offset by coupon payments on subordinated debt contributed 7 %-points
- The longevity reinsurance transaction had a positive impact of about 13 %-points on the Solvency II ratio
- These positive effects were offset by an increase in market risk, largely driven by re-risking of the investment portfolio, with a negative impact of 16 %-points and model improvements (-/-12 %-points)
- VIVAT's organic capital generation in 2018 is still limited mainly as a result of the UFR-drag and the low expected asset returns caused by a low exposure to market risks. The result of re-risking activities in 2018 has not yet been fully realised in the figures. Together with further re-risking activities, capital generation is expected to improve going forward

Change in Solvency II ratio in 2018



Allocation is based on management's best judgement

Longevity reinsurance agreement is expected to help VIVAT diversify its risk profile and facilitate further re-risking of investment portfolio

SRLEV signed longevity reinsurance agreement

- In December 2018 SRLEV signed a full indemnity longevity reinsurance transaction with a reinsurance company
- The longevity risk of 70% of about EUR 8 billion of technical provisions in the product line Life Corporate was reinsured.
- This portfolio makes up about 40% of SRLEV's longevity risk
- As the transaction provides full indemnity for an increase in longevity, the contract is fully effective under Solvency II
- A title transfer financial collateral arrangement has been set up (under Dutch law) which will sufficiently mitigate the counterparty risk of SRLEV against the reinsurance company

Impact on VIVAT

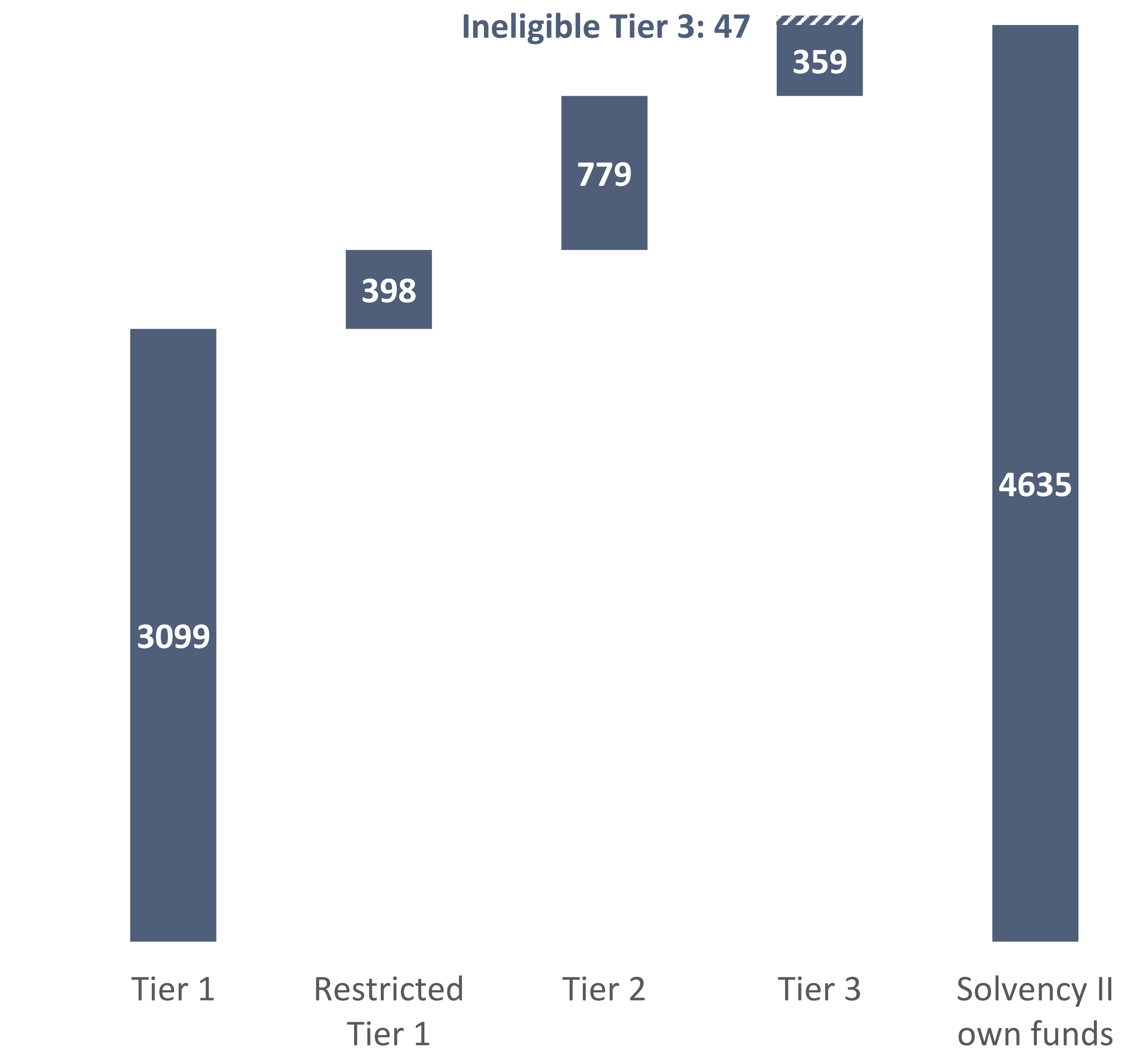
- The transaction has a one-off EUR 97 million negative impact on the IFRS net result. This negative impact is the result of a combination of the net present value of the future reinsurance premiums which was partly offset by a decrease in the risk margin
- The SCR Life of SRLEV decreased by about EUR 301 million
- As a result the transaction has a positive impact of about 14 %-points on the Solvency II ratio of SRLEV (VIVAT: 13 %-points)

Benefits of the transaction

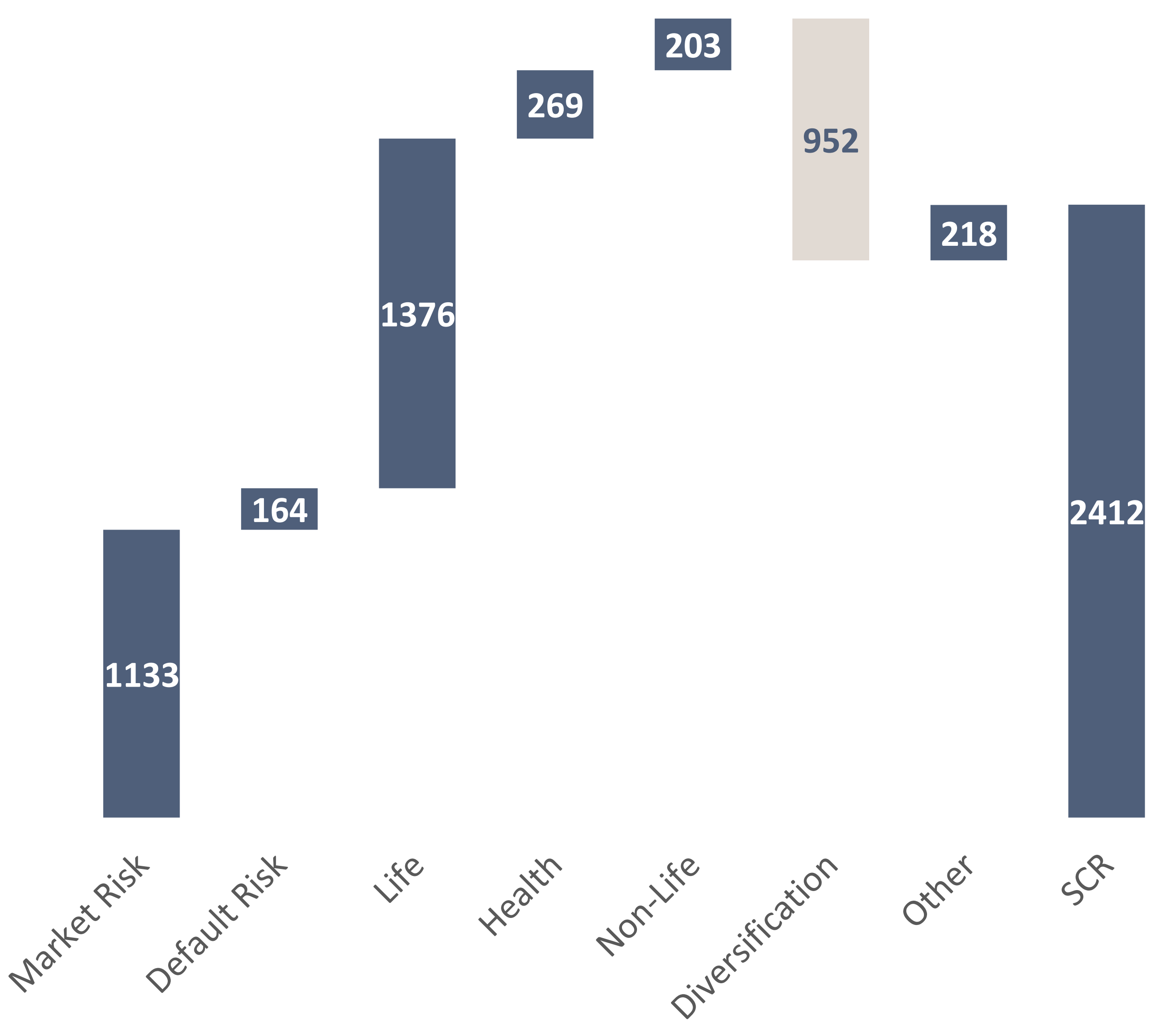
- The transaction improves VIVAT's risk profile by reducing its exposure to longevity risk, thereby creating a balance between insurance and market risks
- VIVAT intends to use the capital released by this transaction to continue to re-risk the investment portfolio, thereby increasing capital generation potential

Breakdown of VIVAT's Solvency II own funds and SCR

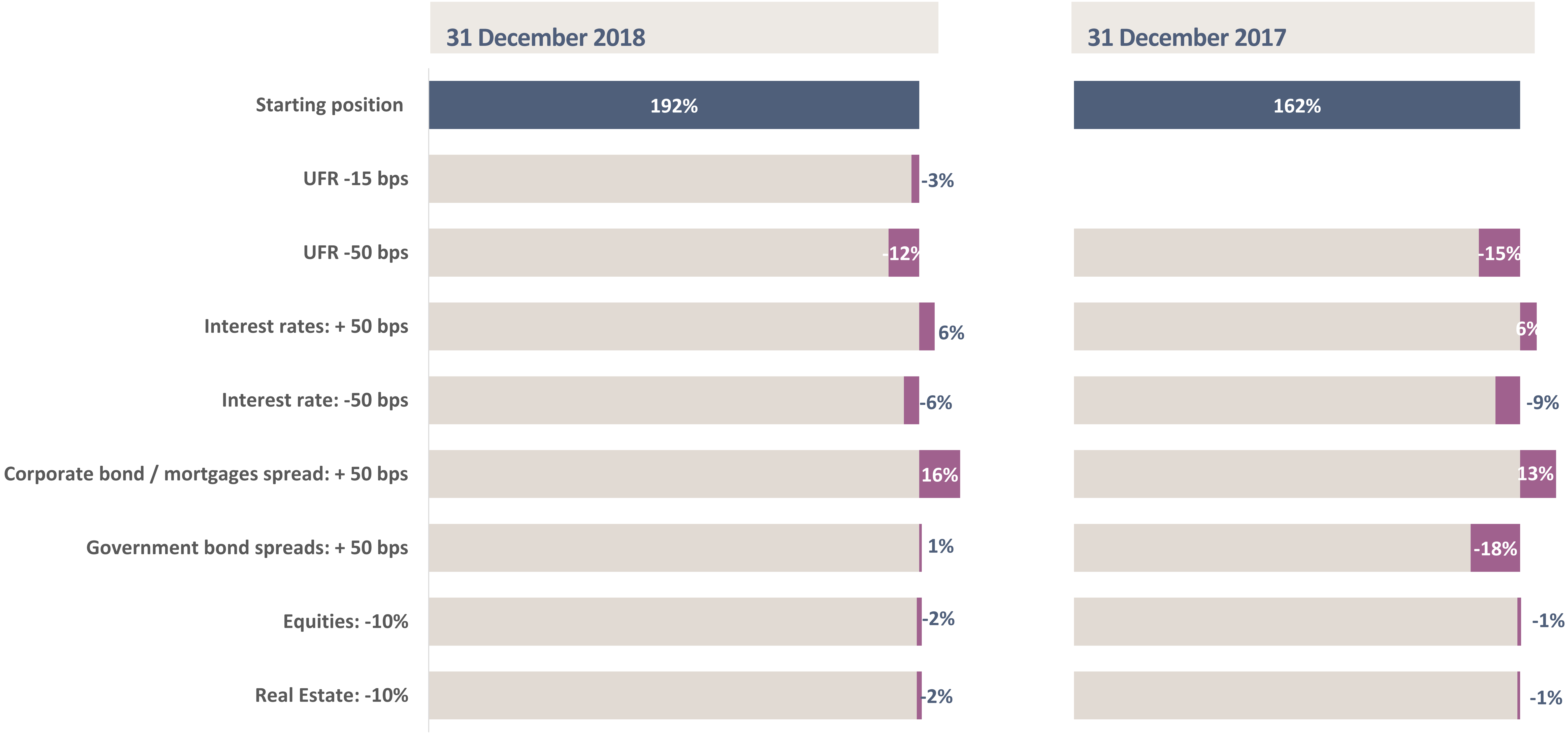
Breakdown own funds VIVAT 31 December 2018 (€ mln)



Breakdown SCR VIVAT 31 December 2018 (€ mln)



Sensitivities of the Solvency II ratio of VIVAT as of 31 December 2018 compared with 31 December 2017



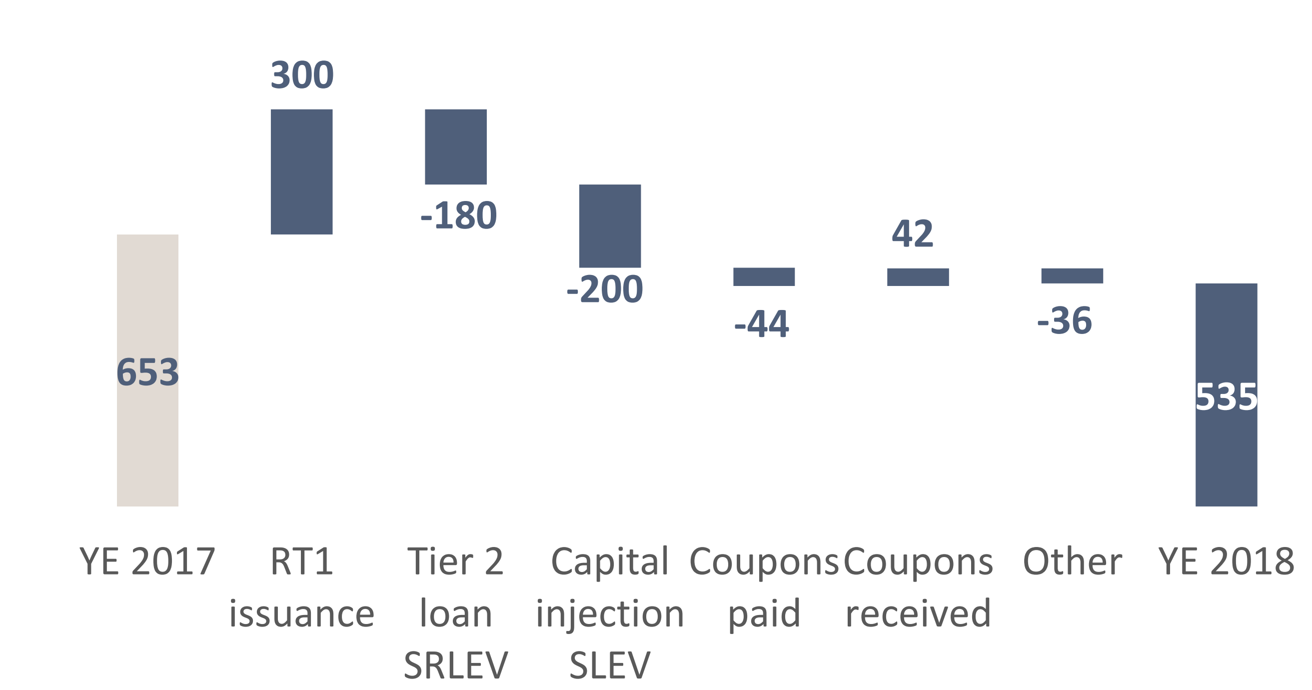
VIVAT has ample liquidity at the holding

- In May 2018, VIVAT entered into a EUR 200 million revolving credit facility with a group of leading European banks which ultimo 2018 remains undrawn

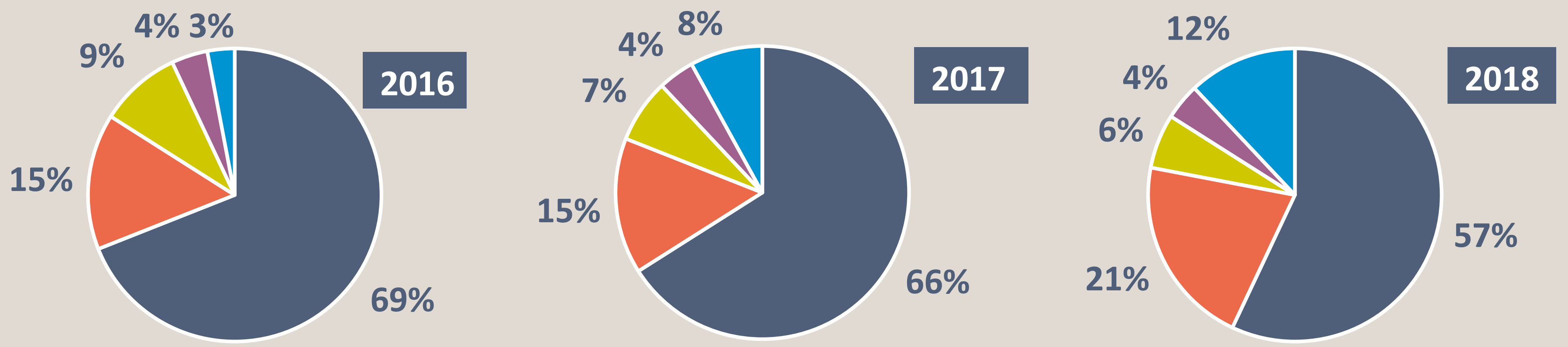
- In June 2018 VIVAT issued EUR 300 million RT1 notes to institutional investors
- Part of the proceeds were on-lent to SRLEV as Tier 2 capital to finance the EUR 150 million tender offer of SRLEV's EUR 400 mln 9% subordinated notes
- In September 2018 VIVAT injected EUR 200 million equity capital in SRLEV to support further re-risking

- The liquidity position of the holding remains very comfortable at EUR 535 million as of YE 2018, compared with EUR 653 million at YE 2017

Development available liquidity holding (in € mln)



Asset optimisation accelerated in 2018



Amounts x € bn	2016	2017	2018
SOVEREIGNS	**23.0**	**22.7**	**20.3**
Sovereign AAA	16.8	13.4	12.5
Sovereign AA	1.8	2.4	2.0
Sovereign A / BBB	1.0	1.3	1.4
Other sovereigns	0.1	0.6	0.6
Supranationals	3.4	4.8	3.8
CREDITS	**5.1**	**5.3**	**7.5**
Euro Financials	2.0	2.4	2.5
Euro Corp	1.6	1.8	1.7
Asset Backed Securities	1.2	0.9	0.7
Covered bonds	0.3	0.3	0.2
Credits other	0.0	0.0	2.4

	2016	2017	2018
EQUITY LIKE	**1.3**	**1.3**	**1.4**
Real Estate	0.3	0.4	0.4
Equity	0.3	0.2	0.2
Fixed Income Funds	0.6	0.7	0.8
MORTGAGES	**2.9**	**2.6**	**2.2**
MONEY MARKET FUNDS	1.3	2.2	3.0
COLLATERAL TRADE	0.2	0.8	0.8
OTHER (a.o. derivatives)	-0.4	-0.3	0.4

High quality investment portfolio

> Re-risking has picked up momentum in 2018 with sovereign exposure being materially reduced in favour of, amongst others, additions in (i) USD-denominated credits, (ii) emerging market debt and (iii) real estate investments of which ramp-up is to follow in coming periods

> In anticipation of further envisaged re-risking activities, the exposure to money market funds has increased as well

> Exposure towards equities remained limited in view of continued market volatility

	Allocation 2018	Targeted direction
Sovereigns	57%	∨ ∨
Credits	21%	∧
Mortgages	6%	∧
Equity like and real estate	4%	∧
Other	12%	=

Key messages

- Net underlying result at EUR 239 million (2017: EUR 172 million), positively impacted by higher interest income from the interest rate derivatives portfolio and further cost reductions
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