



VIVAT N.V.

(incorporated under the laws of the Netherlands with limited liability
and having its corporate seat in Utrecht, the Netherlands)

EUR 300,000,000 Perpetual Restricted Tier 1 Notes

The EUR 300,000,000 Perpetual Restricted Tier 1 Notes (the "**Notes**") are issued by VIVAT N.V. (the "**Issuer**" or "**VIVAT**"). The obligations of VIVAT under the Notes in respect of principal and interest constitute direct, unconditional, unsecured and subordinated obligations of VIVAT, ranking *pari passu* without any preference among themselves and (a) junior to the claims of all Senior Creditors of VIVAT, (b) *pari passu* with any Parity Obligations and (c) in priority to claims in respect of any Junior Obligations.

The Notes are perpetual securities in respect of which there is no fixed maturity or redemption date. Holders of Notes have no right to require the Issuer to redeem or purchase the Notes at any time. The Issuer shall be entitled to redeem the Securities only in accordance with the provisions specified in "Terms and Conditions of the Notes — Conditions to Redemption and/or Purchase". The Issuer shall have the right, provided that the Redemption and/or Purchase Conditions are met, to redeem the Notes, in whole but not in part, on the First Call Date and on any Interest Payment Date thereafter as further specified in "Terms and Conditions of the Notes — Conditions to Redemption and/or Purchase". In addition, the Issuer may (subject, that the Redemption and/or Purchase Conditions are met) redeem the Notes following a Rating Methodology Event, a Regulatory Event, a Tax Deductibility Event or a Gross-Up Event, Clean-up Call as set out in "Terms and Conditions of the Notes — Conditions to Redemption and/or Purchase".

Each Note will bear interest on its Prevailing Principal Amount (i) from (and including) the Issue Date to (but excluding) 19 June 2025 (the "**First Call Date**"), at a fixed rate of 7.00 per cent. per annum payable semi-annually in arrear on 19 June and 19 December in each year, commencing on 19 December 2018 and (ii) from (and including) the First Call Date, at the relevant Reset Rate of Interest payable semi-annually in arrear on 19 June and 19 December in each year, commencing on 19 December 2025, as further specified in "Terms and Conditions of the Notes — Interest".

Upon the occurrence of a Trigger Event (as defined herein), any interest which is accrued and unpaid up to (and including) the Write-Down Date (as defined herein) shall be automatically cancelled and the Issuer shall without the need for the consent of the Noteholders write-down the Notes by reducing the Prevailing Principal Amount (as defined herein). A Write-Down (as defined herein) of the Notes shall not constitute a default or an event of default in respect of the Notes or a breach of the Issuer's obligations or duties or a failure to perform by the Issuer in any manner whatsoever, and shall not entitle Noteholders to petition for the insolvency or dissolution of the Issuer or to take any other action.

ANY WRITE-DOWN OF THE NOTES UPON THE OCCURRENCE OF A TRIGGER EVENT WILL BE ON A PERMANENT BASIS.

The Notes do not contain events of default.

Application has been made for listing particulars to be approved by The Irish Stock Exchange plc trading as Euronext Dublin (the "**Irish Stock Exchange**") and for the Notes to be admitted to the Official List of the Irish Stock Exchange and admitted to trading on its Global Exchange Market. The Global Exchange Market is not a regulated market for the purposes of Directive 2004/39/EC (as amended). This Offering Memorandum has been approved by the Irish Stock Exchange and qualifies as a "Listing Particulars" within the meaning of the Listing and Admission to Trading Rules for Debt Securities of the Global Exchange Market of the Irish Stock Exchange.

The Notes are expected to be assigned, on issue, a rating of BB- by Fitch Ratings Limited ("**Fitch**"). Fitch is established in the European Community and registered pursuant to Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EC) No 513/2011 of the European Parliament and of the Council of 11 March 2011. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

The Notes will be issued in bearer form and shall have denominations of EUR 200,000 and integral multiples of EUR 1,000 in excess thereof, up to and including EUR 399,000. The Notes will initially be represented by a temporary global note (the "**Temporary Global Note**"), without interest coupons, which will be deposited on or about 19 June 2018 (the "**Closing Date**") with a common safekeeper for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"). The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "Summary of Provisions relating to the Notes represented by the Global Notes".

An investment in the Notes involves certain risks. Prospective investors should have regard to the factors described in the chapter "Risk Factors" starting on page 8.

Definitions used, but not defined, in this section can be found elsewhere in this Offering Memorandum. The language of the Offering Memorandum is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

The date of this Offering Memorandum is 15 June 2018.

Structuring Advisors

DEUTSCHE BANK

NATWEST MARKETS

Joint Lead Managers

ABN AMRO

BNP PARIBAS

DEUTSCHE BANK

NATWEST MARKETS

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IMPORTANT INFORMATION

Responsibility Statement

VIVAT accepts responsibility for the information contained in this Offering Memorandum. To the best of the knowledge and belief of VIVAT (having taken all reasonable care to ensure that such is the case), the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person has been authorised to give any information or to make any representation other than as contained in this Offering Memorandum in connection with the offering of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by VIVAT or the Joint Lead Managers (as defined under "*Subscription and Sale*" below). Neither the delivery of this Offering Memorandum nor any sale made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the VIVAT and its subsidiaries within the meaning of Section 2:24b of the Dutch Civil Code (together, the "**VIVAT Group**" or the "**Group**") since the date hereof.

The Joint Lead Managers expressly do not undertake to review the financial condition or affairs of VIVAT during the life of the Notes or to advise any investor in the Notes of any information coming to their attention.

The Joint Lead Managers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers as to the accuracy or completeness of the information contained or incorporated in this Offering Memorandum or any other information provided by VIVAT in connection with the offering of the Notes. The Joint Lead Managers accept no responsibility in relation to the information contained in this Offering Memorandum or any other information provided by VIVAT in connection with the offering of the Notes or their distribution.

Where information has been sourced from a third party, this information has been accurately reproduced and, as far as VIVAT is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Offering Restrictions

This Offering Memorandum should not be considered as a recommendation by VIVAT or the Joint Lead Managers that any recipient of this Offering Memorandum should purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of VIVAT and of the suitability of an investment in the Notes in light of its own circumstances.

This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Memorandum and the offer or sale of Notes may be restricted by law in certain jurisdictions. VIVAT and the Joint Lead Managers do not represent that this Offering Memorandum may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by VIVAT or the Joint Lead Managers which is intended to permit a

public offering of the Notes or the distribution of this Offering Memorandum in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Memorandum or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Memorandum and the offering and sale of Notes.

The Notes are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to retail clients in the European Economic Area, as defined in the rules set out in the Market in Financial Instruments Directive 2014/65/EU, as amended or replaced from time to time.

The Notes are complex financial instruments and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities with features similar to the Notes to retail investors. In particular, in June 2015, the FCA published the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015 (the **PI Instrument**). In addition, (i) on 1 January 2018, the provisions of Regulation (EU) No. 1286/2014 on key information documents for packaged and retail and insurance-based investment products ("**PRIIPs**") became directly applicable in all EEA member states and (ii) the Markets in Financial Instruments Directive 2014/65/EU (as amended) ("**MiFID II**") was required to be implemented in EEA member states by 3 January 2018. Together the PI Instrument, PRIIPs and MiFID II are referred to as the "**Regulations**". The Regulations set out various obligations in relation to (i) the manufacture and distribution of financial instruments and (ii) the offering, sale and distribution of packaged retail and insurance-based investment products and certain contingent write down or convertible securities, such as the Notes.

Potential investors in the Notes should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Notes (or any beneficial interests therein) including the Regulations.

Each Manager is required to comply with some or all of the Regulations. By purchasing, or making or accepting an offer to purchase, any Notes (or a beneficial interest therein) from the Issuer and/or any Joint Lead Manager, each prospective investor represents, warrants, agrees with, and undertakes to, the Issuer and the Joint Lead Managers that:

1. it is not a retail client in the EEA (as defined in MiFID II);
2. it will not:
 - (A) sell or offer the Notes (or any beneficial interest therein) to retail clients in the EEA (as defined in MiFID II); or
 - (B) communicate (including the distribution of this Offering Memorandum) or approve an invitation or inducement to participate in, acquire or underwrite the Notes (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the EEA (in each case within the meaning of the MiFID II) (noting that it may not rely on the limited exemptions set out in the PI Instrument); and
3. it will at all times comply with all applicable laws, regulations and regulatory guidance (whether inside or outside the EEA) relating to the promotion, offering, distribution and/or sale of the Notes (and any

beneficial interest therein), including (without limitation) the Regulations and any other applicable laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the Notes (or any beneficial interest therein) by investors in any relevant jurisdiction.

You further acknowledge that:

- (i) the identified target market for the Notes (for the purposes of the product governance obligations in MiFID II) is eligible counterparties and professional clients; and
- (ii) no key information document (KID) under PRIIPs has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under PRIIPs.

For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC ("**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "**Securities Act**") and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons as defined in Regulation S of the Securities Act. For a further description of certain restrictions on the offering and sale of the Notes and on distribution of this Offering Memorandum, see "*Subscription and Sale* below".

Miscellaneous

This Offering Memorandum should be read and understood in accordance with any amendment or supplement hereto and with any other documents incorporated by reference herein.

All references in this Offering Memorandum to euro, euros, EUR and € refer to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty of Rome establishing the European Communities, as amended.

See "*Terms and Conditions of the Notes*" for capitalised terms used in this Offering Memorandum which are not otherwise defined.

In connection with the issue of the Notes, Deutsche Bank AG, London Branch (or any person acting on behalf of the Stabilising Manager) (the "**Stabilising Manager**") may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise

prevail. However, stabilisation may not necessarily occur. Any such stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager in accordance with all applicable laws and rules.

The Notes are not intended to be held in a manner which will allow Eurosystem eligibility. However, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

RISK FACTORS

Prospective investors should carefully consider the risk factors set out below, together with the other information contained in this Offering Memorandum (including but not limited to the audited consolidated financial statements), before making an investment decision with respect to the Notes. If any of the following risks should actually occur, the business, revenues, results, financial condition and prospects of the VIVAT Group could be materially adversely affected, which could result in an inability of VIVAT to pay interest and/or principal and could negatively affect the price of the Notes.

Although VIVAT believes that the risks and uncertainties described below are the material risks and uncertainties, they are not the only ones faced by the VIVAT Group. All of these factors are contingencies which may or may not occur. Additional risks and uncertainties not presently known to VIVAT or that VIVAT currently deems immaterial may also turn out to have a material adverse effect on the business, revenues, results, financial condition and prospects of the VIVAT Group, which could result in an inability of VIVAT to pay interest and/or principal and could negatively affect the price of the Notes.

Prospective investors should carefully review the entire Offering Memorandum, and should form their own views before making an investment decision with respect to the Notes. Before making an investment decision with respect to the Notes, prospective investors should also consult their own financial, compliance, legal and tax advisers to carefully review the risks associated with an investment in the Notes and consider such an investment decision in light of the prospective investor's personal circumstances and should perform their own due diligence before making an investment decision. The sequence in which the risk factors are presented below, and any quantitative historical impacts and sensitivities included, are not indicative of their likelihood of occurrence or the potential magnitude of their financial consequences in the future.

Words and expressions defined in "Terms and Conditions of the Notes" below or elsewhere in this Offering Memorandum have the same meanings in this section, unless otherwise stated.

Risks Related to VIVAT and the VIVAT Group

Strategic Risks

The VIVAT Group is exposed to risks of damage to its reputation

The VIVAT Group is exposed to the risk that its reputation is damaged. Such reputational damage could, for example and not exclusively, be caused by any of the following occurring or having occurred in respect of the VIVAT Group (whether actually or allegedly and whether or not founded):

- non-compliance with legal or regulatory requirements (including financial regulatory rules, anti-money laundering rules and data privacy rules);
- litigation and regulatory measures (including investigations);
- adverse events (including those as described herein or any malpractice or misconduct) occurring in relation to its shareholder Anbang Group Holdings Co. Ltd ("**Anbang**") or any third party directly or indirectly linked to the VIVAT Group or Anbang such as personnel, affiliates, shareholder, intermediaries, partners, business promoters, third party managers or customers (including politically exposed persons);
- failures in the information technology systems of the VIVAT Group, loss of customer data or confidential or privacy related information;

- failure in risk management procedures;
- press speculation or negative publicity; or
- any of the above occurring or having occurred in respect of any third party directly or indirectly linked to the VIVAT Group such as personnel, affiliates, shareholder Anbang, intermediaries, partners, business promoters, third party managers or customers.

Any damage to the reputation of the VIVAT Group could cause existing customers to withdraw their business from the VIVAT Group and potential customers to be reluctant to or electing not to do business with the VIVAT Group, and thereby cause disproportionate damage to the VIVAT Group's business, regardless of whether the negative publicity is factually accurate. Furthermore, reputational damage could result in greater regulatory scrutiny and influence market or rating agency perception of the VIVAT Group, which could make it more difficult for VIVAT and/or other group members to maintain their credit rating. This could have a material adverse effect on the VIVAT Group's business, revenues, results, financial condition and prospects. Furthermore, certain of the insurance products and services of the VIVAT Group are distributed through third parties or form part of broader products and services sold by third parties. Any reputational damage in respect of such third parties or such broader products and services could result in significant damage to the reputation of the VIVAT Group, which could in turn greatly hinder the VIVAT Group's ability to retain clients or compete for new business, which could as well have a material adverse effect on the VIVAT Group's business, revenue, results, financial condition and prospects.

The extensive network of intermediaries, advisors and authorised agents of the VIVAT Group is its most important distribution channel and the VIVAT Group may be unable to maintain a competitive distribution network

The VIVAT Group uses a variety of distribution channels in the Netherlands for the marketing and offering of its insurance products and services, including internet, call centres, intermediaries, advisors, authorised agents and partnerships. A substantial part of the distribution of the VIVAT Group originates from distribution of its products and services by intermediaries, advisors and authorised agents who may also offer competitors' products and services. As a result, the success of the VIVAT Group through these distribution channels depends on the preferences of these intermediaries, advisors and authorised agents for the products and services of the VIVAT Group. Preferences of intermediaries, advisors and authorised agents are determined by, *inter alia*, the security of investment and prospects for future investment returns in the light of a company's product offering, past investment performance, financial strength and perceived stability, ratings, the quality of the product and the quality of the service provided to the intermediaries, advisors and authorised agents, fees charged in relation to complex financial products like life insurance, pensions, mortgages and compensation for non-complex financial products. An unsatisfactory assessment by an intermediary, advisor and/or authorised agent of the VIVAT Group and its products based on any of these factors could result in the VIVAT Group generally, or in particular certain of its products, not being actively marketed by intermediaries, advisors and authorised agents to their customers in the Netherlands.

In seeking to attract and retain successful intermediaries, advisors and authorised agents, the VIVAT Group competes with other institutions primarily on the basis of its support services, product features, financial position and compensation for non-complex financial products. Besides that, the VIVAT Group is always working on new strategies and plans relating to its distribution network. However, apart from all efforts and new strategies and plans, the extensive network of intermediaries, advisors and authorised agents of the VIVAT Group as important distribution channel remains an inherent part of its business and a failure by the VIVAT Group to maintain a competitive distribution-network could have a material adverse effect on the VIVAT Group's business, revenues, result of operations, financial conditions and prospects.

The VIVAT Group faces substantial competitive pressures

There is substantial competition in the Netherlands for the insurance products and services that the VIVAT Group provides from insurance companies, intermediaries, financial advisers, banks, asset managers and other institutions (e.g. fintech, start-ups), both for the ultimate customers for the VIVAT Group's products and for distribution through third party distribution channels. If the VIVAT Group is unable to offer attractive products and services that are profitable, it may lose market share or incur losses on some or all of its activities. Consumer demand, technological changes, regulatory actions and other factors also affect competition. Competitive pressures could result in increased pricing pressures, particularly as competitors seek to win market share. This may harm the ability of the VIVAT Group to maintain or increase profitability.

Sales of life insurance and pension products in the Netherlands have been declining since 2008 and are expected to decrease further

Sales of life insurance and pension products in the Netherlands have declined since 2008, mainly due to:

- low interest rates;
- changes in tax and pension laws, resulting in less attractive insurance products compared to alternative products with similar tax benefits;
- a trend in moving away from traditional defined benefit schemes, because of low interest rates and higher cost;
- adverse market sentiment relating to investment-linked products; and
- a changed mortgage market, resulting in the sale of mortgages with less life insurance products attached (*i.e.*, savings mortgages and investment-linked mortgages).

A continued decline in sales volumes could have a material adverse effect on the VIVAT Group's business, revenues, results, financial condition and prospects.

The non-life insurance business has historically been cyclical and such cycles may occur again

Insurers that offer non-life insurance products have historically experienced significant fluctuations in operating results due to competition, the levels of underwriting capacity, general social, legal or economic conditions and other factors. The non-life insurance business has historically been cyclical, characterised by periods of intense competition in relation to price and policy terms and conditions often due to excessive underwriting capacity, as well as periods when shortages of capacity have led to increased premium rates and policy terms and conditions that are more advantageous to underwriters. Increases in the supply of insurance (whether through an increase in the number of competitors, an increase in the capitalisation available to insurers or otherwise) and, similarly, reduction in consumer demand for insurance could have adverse consequences for the VIVAT Group, including fewer contracts written, lower premium rates, increased expenses for customer acquisition and retention, and less favourable policy terms and conditions for the VIVAT Group, any of which could have a material adverse effect on the VIVAT Group's business, revenues, results, financial condition and prospects.

The VIVAT Group could fail to effectively identify or execute strategic acquisitions, joint ventures, partnerships, investments or divestments, and if such transactions are pursued, the VIVAT Group could fail to successfully implement and exploit them or realise anticipated benefits in a timely manner

The VIVAT Group could selectively pursue opportunities to acquire, form joint ventures with or enter into partnerships in respect of or make investments in businesses, products, technologies or innovations which complement the VIVAT Group's business and growth strategy. Divestments may also be beneficial for the VIVAT Group's business, focus and strategy. The VIVAT Group may not be able to identify suitable candidates for such acquisitions, joint ventures, partnerships, investments or divestments, or if the VIVAT

Group does identify suitable candidates, it may not be able to complete any transaction on acceptable terms, or at all. Any acquisitions, joint ventures, partnerships, investments or divestments by the VIVAT Group could entail risks, such as:

- difficulties in realising cost, revenue or other anticipated benefits from the acquired business, the joint venture, partnership, investment or divestment;
- costs of executing the acquisition, joint venture, partnership, investment or divestment, both in terms of capital expenditure and increased management attention;
- potential for undermining the VIVAT Group's strategy, the VIVAT Group's relationship with customers, intermediaries and/or partners or other elements critical to the success of the VIVAT Group's business;
- liabilities or losses resulting from the VIVAT Group's control of the acquired business, participation in the joint venture or partnership, investment or divestment;
- liabilities or losses resulting from claims under guarantees, representations and warranties, and/or indemnities given by the VIVAT Group to its counterparties in relation to an acquisition, joint venture, partnership, investment or divestment;
- difficulties in integrating an acquired business in the VIVAT Group's business or realising cost reductions from such integration; or
- difficulties in integrating and exercising effective internal controls with respect to the acquired business both within the acquired business and within the VIVAT Group,

any of which, alone or in aggregate, could have a material adverse effect on the VIVAT Group's business, revenues, results, financial condition and prospects.

Prolonged investment underperformance of the VIVAT Group's assets under management may cause existing customers to withdraw funds and potential customers not to grant investment mandates

When buying investment products or selecting an asset manager, customers (including retail investors, institutional investors and intermediaries) typically consider, among others, the historic performance of the investment products or assets under management and the responsible asset management teams and individuals. Consequently, if the VIVAT Group, in comparison to its competitors, underperforms for a prolonged period in time in relation to its investments, for instance if the VIVAT Group (including ACTIAM N.V. ("**ACTIAM**"), VIVAT's 100% asset management subsidiary) does not provide satisfactory or appropriate investment returns, or if the VIVAT Group does not sell investment products (linked to insurance products) that customers require or are deemed suitable, or where ACTIAM loses key asset management teams or individuals, existing customers may decide to liquidate, cancel, reduce, transfer or negotiate alterations to the terms of their investments, investment products and investment mandates. Furthermore, potential customers may decide not to make further investments, buy investment products or extend or grant new investment mandates. Consequently, prolonged investment underperformance could have a material adverse effect on the business, revenues, results, financial condition and prospects of the VIVAT Group.

Integrity Risks

The VIVAT Group is exposed to the risk of fraud and other misconduct or unauthorised activities by the VIVAT Group's personnel, intermediaries, customers and other third parties

Fraud typically occurs when persons deliberately abuse the VIVAT Group's procedures, systems, assets, products or services, and includes policy fraud (where fraudulent misstatements of fact are made in applications for insurance products by customers), sales fraud (where, for instance, intermediaries design commission schemes that are not for bona fide customers, or are written for non-existent customers, in

order to collect commissions that are typically payable in the first year of the contract, after which the policy is allowed to lapse), claims fraud (where fraudulent misstatements of fact are made in an effort to make claims under existing policies) and fraud in relation to payment execution (where payments of policy benefits are fraudulently routed to bank accounts other than those of the relevant beneficiary). The occurrence of fraud and other misconduct and unauthorised activities could result in losses, increased costs, violations of law, investigations and sanctions by regulatory and other supervisory authorities, claims by customers, customer groups and customer protection bodies, loss of potential and existing customers, loss of receivables and harm to the VIVAT Group's reputation, any of which, alone or in the aggregate, could have a material adverse effect on the VIVAT Group's business, revenues, results, financial condition and prospects.

In addition to fraud risk there is also compliance risk, *i.e.*, not complying with laws and regulations. Failure to comply with any laws and regulations could lead to disciplinary action, instructions from the Dutch Central Bank ("**DNB**"), the Dutch Authority for the Financial Markets ("**AFM**") or the Dutch Data Protection Authority ("**DPA**"), the imposition of fines, revocation of a license, permission or authorisation necessary for the conduct of the VIVAT Group's business and/or civil liability, all or any of which could have a materially adverse effect on the VIVAT Group's business, revenues, results, financial condition and prospects. Laws and regulations applied at a national level generally grant supervisory authorities broad administrative discretion over the VIVAT Group's activities, including the power to limit or restrict business activities. It is possible that laws and regulations governing the VIVAT Group's business or particular products and services could be adopted, amended or interpreted in a manner that has a material adverse effect on the VIVAT Group's business, revenues, results, financial condition and prospects.

Operational Risks

The VIVAT Group is subject to operational risks

The operational risks that the VIVAT Group faces include the possibility of inadequate or failed internal or external processes or systems, human error, regulatory breaches, personnel misconduct or external events, such as fraud. Additionally, the loss of key personnel could adversely affect the VIVAT Group's operations and results. Operational risks could materially adversely affect the VIVAT Group's business, revenues, results, financial condition and prospects.

The VIVAT Group relies heavily on information technology, communication systems and/or internal controls and there is a risk that these do not function properly

The VIVAT Group relies heavily on its operational processes, communication and information systems and internal controls to conduct its business, including (without limitation) to determine the pricing of its products, its underwriting liabilities, the required level of provisions and the acceptable level of risk exposure and to maintain accurate records, high-quality customer services and compliance with its reporting obligations. Defects and errors in the VIVAT Group's financial reporting and actuarial processes, systems and reporting procedures, including both human and technical errors, could result in a late delivery of internal and/or external reports or reports with insufficient or inaccurate information.

Also, in the VIVAT Group's current financial reporting process, product lines and legal entities do not always coincide. This increases the complexity of the financial reporting process, both within the product lines and legal entities, and at VIVAT level, which in turn increases the risk of financial reporting errors. Furthermore, defaults and errors in the VIVAT Group's financial reporting processes, systems and reporting procedures could lead to wrong management decisions regarding, for instance, product pricing and hedge decisions which could materially adversely affect its net income and increase risk. In addition, misinforming customers and investors could lead to substantial claims and regulatory fines, increased

regulatory scrutiny, reputational harm and increased administrative costs to remedy errors.

Furthermore, the VIVAT Group depends on third party providers for administration and IT services and other back office functions. This includes the outsourcing of ACTIAM's middle and back offices asset management operations, fund and investment account and reporting services to BNP Paribas Securities Services as service provider as from 1 July 2017. Any interruption in the VIVAT Group's ability to rely on its internal or outsourced IT services or deterioration in the performance of these services could impair the timing and quality of the VIVAT Group's services to its customers and result in loss of customers, inefficient or detrimental transaction processing and regulatory non-compliance, all of which could also damage the VIVAT Group's brands and reputation.

The VIVAT Group is also exposed to cybercrime risks, for example, login credentials of customers, intermediaries and personnel may be intercepted by cyber criminals. This could lead to abuse of information and harm the VIVAT Group's reputation. Any interruptions, failures or breaches in security of these processes and systems could also result in a loss of customers and/or materially adversely affect the VIVAT Group's ability to compete with its competitors.

Organisational change as well as the pursuance by the VIVAT Group of its strategic objectives (including growth and extended scale) may result in the creation of an operational risk, amongst other things because these events may result in an increased strain on information technology, communication systems and/or internal controls. Furthermore, these events could result in employees and their knowledge and expertise leaving the VIVAT Group, therefore increasing the strain on the existing organisation. This may have a negative impact on existing work routines and internal controls and may consequently lead to operational incidents.

The occurrence of any of the foregoing events could harm the VIVAT Group's reputation and could have a material adverse effect on the VIVAT Group's business, revenues, results and financial condition and prospects.

The VIVAT Group may not be able to retain or attract personnel who are key to the business

The success of the VIVAT Group's operations is dependent, among other things, on its ability to attract and retain highly qualified professional personnel. Competition for key personnel is intense. The ability of the VIVAT Group to attract and retain key personnel with appropriate knowledge and skills, particularly financial, investment, IT, data analysis, risk management, actuarial, Solvency II (as defined below) and other specialist skills and experience, is dependent on a number of factors, including prevailing market conditions and compensation packages offered by companies competing for the same talent. Any failure by the VIVAT Group to retain or attract qualified personnel could have a material adverse effect on the VIVAT Group's business, revenues, results and financial condition and prospects.

The occurrence of disasters or core infrastructure failures may endanger the continuity of the VIVAT Group's business operations and the security of the VIVAT Group's personnel

The VIVAT Group is exposed to various risks arising from natural disasters (including floods, fires and storms), as well as man-made disasters and core infrastructure failures (including acts of terrorism, war, power grid and telephone/internet infrastructure failures). These natural and man-made disasters may endanger the continuity of the VIVAT Group's business operations and the security of the VIVAT Group's personnel, and may adversely affect the VIVAT Group's business, revenues, results and financial condition and prospects by causing, among other things, disruptions of the VIVAT Group's normal business operations.

Change in senior management team could lead to discontinuities and deficiencies

The risks of discontinuities and deficiencies by change in senior management could lead to untimely and/or insufficient actions or other deficiencies with regards to strategic decision making, operational processes, internal controls, application of laws, regulations and internal guidelines towards VIVAT Group's business, risk culture (as described in the risk culture paragraph), HR processes, relationship and communication with customers and intermediaries. This could have a material adverse effect on the VIVAT Group's business, revenues, results and financial condition and prospects.

The performance of the VIVAT Group depends also on the quality of its pricing processes to accurately price its products and services

The results and financial condition of the VIVAT Group depend, among other things, on its ability to set rates and prices accurately. Setting accurate rates and prices is necessary to generate sufficient premiums to pay claims and expenses and to earn profits on income. The ability of the VIVAT Group to price its products and services accurately is subject to a number of uncertainties, *i.e.*, inadequate or inaccurate data or inappropriate analyses, assumptions or methodologies. If the VIVAT Group fails to establish adequate rates and prices for its products and services, its revenues could decline or its expenses increase resulting in proportionately greater losses.

The VIVAT Group makes use of models which present the VIVAT Group with model risk when decisions are based on incorrect or misused model outputs and reports

The term model refers to a quantitative method, system, or approach that applies statistical, economic, financial, or mathematical theories, techniques, and assumptions to process input data into quantitative estimates. Models meeting this definition might be used for pricing products, analysing business strategies, informing business decisions, identifying and measuring risks, valuing exposures, instruments or positions, conducting stress testing, assessing adequacy of capital, managing client assets, measuring compliance with internal limits, or meeting financial or regulatory reporting requirements and issuing public disclosures. The definition of model also covers quantitative approaches whose inputs are partially or wholly qualitative or based on expert judgment, provided that the output is quantitative in nature. The VIVAT Group uses a number of models for a variety of purposes, among others, pricing of products, valuation of mortgages, valuation of insurance liabilities, required capital calculations and determination of hedging portfolios. The use of models invariably presents model risk, which is the potential for adverse consequences from decisions based on incorrect or misused model outputs and reports. Model risk can lead to financial loss, poor business and strategic decision-making, or damage to the VIVAT Group's reputation. Model risk occurs primarily for two reasons: (1) a model may have fundamental errors and produce inaccurate outputs when viewed against its design objective and intended business uses; and (2) a model may be used incorrectly or inappropriately or there may be a misunderstanding about its limitations and assumptions. Model risk increases with greater model complexity, higher uncertainty about inputs and assumptions, broader extent of use, and larger potential impact. Even though active model risk management and model validation are an integrated part of the risk management system of the VIVAT Group, the adverse consequences (including financial loss) of model risk can negatively influence the VIVAT Group's business, revenues, results, financial condition and prospects.

The VIVAT Group's technical provisions reflected in its IFRS financial statements to pay insurance and other claims, now and in the future, or other balance sheet valuations (i.e., Solvency II) could prove insufficient

In accordance with industry practices, provisions are established on the basis of estimates using actuarial projection techniques. The process of estimating is based on information available at the time the provisions are established. The adequacy of the provisions, including risk margins, are continuously reviewed and believed to be sufficient. Under International Financial Reporting Standards ("IFRS"), the

VIVAT Group is required to test the adequacy of the provisions at each IFRS reporting date by executing the liability adequacy test. This test requires provisions to be adequate on aggregate. The adequacy test is based on management best estimates on future developments of markets, insurance claims and expenses. However, the provisions could prove insufficient in the future for several reasons, such as new knowledge or events, discrepancy between assumptions and actual experience, increasing guarantee obligations whether or not related to outstanding issues and regulatory capital, other requirements, which are particularly uncertain in the current regulatory environment, undergoing significant, and ongoing, changes, policy or former management decisions, which could require strengthening the provisions. More or less the same applies to other balance sheet valuations, such as mortgage valuations that are established on the basis of estimates using projection techniques. Another example of a valuation that could prove insufficient is the determination of the value of deferred tax assets, of which it needs to be tested to what extent it is fully recoverable. For this, testing projection techniques are necessary as well. If the VIVAT Group's provisions or other balance sheet valuations prove insufficient, the VIVAT Group may be required to strengthen its reserves or revalue other balance sheet items, which may have a material adverse effect on the VIVAT Group's results and financial condition.

Liquidity Risks

The VIVAT Group faces liquidity risk

Liquidity risk arises if the VIVAT Group would not be able to comply with current or contingent liabilities at their due date. It consists of (i) a funding risk, *i.e.*, the risk that the VIVAT Group cannot meet any scheduled or unexpected demand for cash from policyholders and other contracting parties or its subsidiaries in case of VIVAT specifically, and (ii) a market liquidity risk, *i.e.*, the risk that the VIVAT Group is not able to convert assets in cash as a result of unfavourable market conditions or a market disruption.

VIVAT is a holding company with no material, direct business operations (VIVAT is authorised to act to a limited degree as intermediary for insurances of its subsidiaries SRLEV N.V. ("**SRLEV**") and VIVAT Schadeverzekeringen N.V. (formerly named Reaal Schadeverzekeringen N.V., hereafter "**VIVAT Schadeverzekeringen**") and it employs all personnel and services of the business with staff support) and relies on its available buffer and operating subsidiaries to provide it with liquidity. The capital position and capital structure of the VIVAT Group may include a double leverage at the VIVAT level (VIVAT issues (subordinated) debt and acquires shares in the equity of or provides subordinated debt (restricted Tier 1 and/or Tier 2 capital) to the subsidiaries which is a form of intra-group financing). The liquidity position of VIVAT is dependent on its own resources and the ability of its subsidiaries to upstream cash (see also "*Risk related to the legal structure of the VIVAT Group*").

The VIVAT Group holds certain assets that have low liquidity, such as privately placed fixed income securities, commercial and residential mortgage loans, asset-backed securities, structured loans, government bonds of certain countries, private equity investments and real estate. Since the onset of the financial crisis, many of these assets have proven to be illiquid resulting in realised losses if such assets were sold and unrealised losses on such assets if they were marked-to-market. Although the liquidity for certain of these assets has improved, a further downturn in the financial markets may exacerbate the low liquidity of these assets and may also reduce the liquidity of assets that are typically liquid, as occurred during the financial crisis in the case of the markets for asset-backed securities relating to real estate assets and other collateralised debt and loan obligations. If the VIVAT Group requires significant amounts of cash on short notice in excess of normal cash requirements or is required to post or return collateral in connection with its investment portfolio, derivatives transactions or securities lending activities, the VIVAT Group may be forced to sell such assets even though a large portion of the investment portfolio is invested in liquid Dutch and German government bonds. If those assets are illiquid, the VIVAT Group may be

forced to sell them for a lower price than it otherwise would have been able to realise, resulting in losses, which may have a material adverse effect on the VIVAT Group's results and financial condition. A (forced) sale at a higher price could also negatively impact VIVAT Group's Solvency II own funds as a consequence of tiering restrictions as realising a potential profit increases net deferred tax assets and potentially impacts the recoverability of such deferred tax assets.

The distribution of dividends or any other upstream distribution may have an adverse effect on VIVAT's solvency and liquidity position

VIVAT's sole shareholder, Anbang, may resolve to distribute dividends on the shares in the capital of VIVAT, provided that such distribution is permitted under the then applicable rules and regulations. Any such dividend distribution or any other upstream distribution may have an adverse effect on VIVAT's solvency and liquidity position and potentially on VIVAT's ability to fulfil its payment obligations under the Notes.

Market Risks

Risk relating to the general economic and financial environment

The VIVAT Group's results can be adversely affected by general economic conditions and other business conditions. The VIVAT Group generates most of its income in the Netherlands and is therefore particularly exposed to the economic and business conditions in the Netherlands. These conditions include changing economic cycles that affect demand for insurance products. Such cycles are also influenced by global political events, such as terrorist acts, war and other hostilities as well as by market specific events, such as shifts in consumer confidence, industrial output, labour or social unrest and economic and political uncertainty. Since the onset of the financial crisis in 2008, which in Europe was followed by the euro-crisis in 2010, weak macroeconomic conditions, including recessions, and the implementation of austerity measures in many economies, along with global financial market turmoil and volatility, have affected, and if these trends persist or return will continue to affect, the behaviour of the VIVAT Group's customers, and, by extension, the demand for, and supply of, VIVAT Group's products and services. Over the past several years, as the Dutch, European and global economies have taken steps to recover from the financial crisis, significant actions by governments, including bail-outs of financial institutions, as well as volatile markets, interest rates and credit spreads and significant changes in asset valuations (including material write-offs and write-downs of impaired assets), have all affected the business of financial institutions, including the VIVAT Group. Any further deterioration in the economic conditions could result in a downturn in new business and sales volumes of the VIVAT Group's products, and a decrease of its investment return, which, in turn, could have a material adverse effect on the VIVAT Group's growth, business, revenues and results. The business segment of the VIVAT Group is affected by market conditions, which can cause results to fluctuate from year to year as well as on a long-term basis. These market conditions include, without limitation, fluctuations in interest rates, monetary policy, a decline in the securities markets or poor investment performance, consumer and business spending and demographics. These market conditions also include insurance industry cycles, such as changes with respect to mortality and longevity. If any such market conditions were to occur and persist, the results of the VIVAT Group could be adversely affected.

The VIVAT Group's exposure to fluctuations in the equity, fixed income and property markets

The returns on the VIVAT Group's investments are highly susceptible to fluctuations in equity, fixed income and property markets. The VIVAT Group bears all the risk associated with its own investments. Fluctuations in the equity, fixed income and property markets affect the VIVAT Group's profitability and capital position. A decline in any of these markets will lead to a reduction of (un)realised gains in the asset or result in (un)realised losses and could result in impairments. Any decline in the market values of these

assets reduces the VIVAT Group's solvency, which could materially adversely impact the VIVAT Group's financial condition and the VIVAT Group's ability to attract or conduct new business.

The VIVAT Group is exposed to the level of interest rates

Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the control of the VIVAT Group. The level of interest rates and changes in prevailing interest rates (including changes in the difference between the levels of prevailing short- and long-term interest rates (non-parallel movements)) could adversely affect the results and capital position of the VIVAT Group.

The insurance investment portfolio of the VIVAT Group consists primarily of fixed income securities. The short-term impact of interest rate fluctuations on the insurance business of the VIVAT Group may be reduced in part by products designed to partly or entirely transfer the VIVAT Group's exposure to interest rate movements to the policyholder. While product design and hedging reduce the exposure of the VIVAT Group to interest rate volatility, changes in interest rates (predominantly changes in long-term interest rates) will impact its business to the extent they result in changes to current interest income, impact the value of the fixed income portfolio of the VIVAT Group, or affect the levels of new product sales.

A decrease in the long-term interest rate primarily adversely affects the values of the VIVAT Group's liabilities under traditional life contracts, as liabilities are discounted using long-term interest rates for supervisory reporting and/or financial reporting. This negative effect is partly offset by the simultaneous increase in the market value of fixed income assets. Even if the liabilities are valued using a market consistent methodology, they may nevertheless have limited or different sensitivity to interest rate movements (and credit spread) in comparison to fixed income assets because the discount rate applied in those market consistent valuations (in some cases, including the discount rate prescribed or determined by regulators) typically do not fully reflect sensitivities to interest rate movements (and credit spreads) and therefore the value of the liabilities may not match that of the fixed income assets. Under Solvency II (as defined below), for instance, the basic risk free interest rate is based on the swap rate (corrected for a credit risk adjustment ("**CRA**") with an extrapolation of the curve from the last liquid point ("**LLP**") to the ultimate forward rate ("**UFR**")), while a material part of the VIVAT Group's fixed income portfolio is currently heavily based on Dutch and German government bonds. The spread between the swap rates and the government bond rates can diverge. Under Solvency II (as defined below), the VIVAT Group also uses a spread correction based on the so called volatility adjustment ("**VA**") (in the future possibly also the matching adjustment ("**MA**")), but this VA spread does not necessarily have the same impact as the spread on the investment portfolio. Another factor that leads to a mismatch is the extrapolation technique that is used to determine the interest rate curve for the valuation of liabilities (from the LLP (currently year 20) to the Solvency II level of the UFR (currently 4.05%) in approximately 40 years) which is not used in the valuation of the asset portfolio. The Solvency II level of the UFR will be lowered to the UFR level requested by the European Insurance and Occupational Pensions Authority ("**EIOPA**") (which level currently is set at 3.60%) with steps of no more than 0.15%-point per year. In January 2019 the UFR level will again be reduced with 0.15%-point to 3.90%. In addition, the net effect on the net asset value/surplus depends on the (key rate) duration and volume matching of assets and liabilities including derivatives. To the extent that the VIVAT Group is unable to match or chooses not to completely match liabilities with assets that have the same or similar levels of interest rate sensitivity, there could be a gap between the movement of the VIVAT Group's assets and liabilities as interest rates change. Interest rate fluctuations could therefore have a material adverse effect on the VIVAT Group's business, revenues, results, financial condition and prospects.

In addition, the future results of insurance operations of the VIVAT Group are impacted by the level of the interest rates. A prolonged period with low interest rate levels has had, and could continue to have, a material adverse effect on the VIVAT Group's revenues, results of operation, financial condition and prospects. In a period of sustained low interest rates, financial and insurance products with long-term options and guarantees (such as pension, whole-life and disability products) may be more costly to the VIVAT Group. Moreover, the (economic and/or Solvency II (as defined below) regulatory) capital the VIVAT Group is required to hold for long-term risks, such as longevity, expense and morbidity risks, is higher in a low interest rate environment. These effects limit the ability of the VIVAT Group to offer these products at affordable prices. Also, the present value impact of assumption changes affecting future benefits and expenses is larger, creating more volatility in the VIVAT Group's results and available regulatory capital. On top of that, the VIVAT Group will be subject to an investment risk because, in a low interest rate environment, the VIVAT Group may not be able to reinvest the proceeds from maturing investments or to invest the premiums, which it will continue to receive on recurring premium products with interest rate guarantees, in assets with a comparable return profile.

Furthermore, in periods where interest rates are higher than the current interest rates and in periods of increasing long-term interest rates, the market value of fixed income assets and/or interest rate derivatives of the VIVAT Group may continue to decrease, which could result in unrealised losses and require that the VIVAT Group post collateral in relation to its interest rate hedging arrangements. This could lead to reductions in the level of regulatory available capital. In periods of rising interest rates, policy lapses and withdrawals may increase as policyholders may believe they can obtain a higher rate of return in the market place. In order to satisfy the resulting obligations to make cash payments to policyholders, the VIVAT Group may be forced to sell assets at reduced prices and thus realise investment losses. Such a sale of investment assets may also result in a decrease in the VIVAT Group's assets under management, which could result in reduced fee income as fee income is typically linked to the value of the assets under management.

If the results of the VIVAT Group are adversely affected by the level of interest rates or for other reasons, this could also adversely affect the rights of policyholders to receive additional benefit payments over and above any insured or guaranteed capital ("**Profit Sharing Policies**"). Profit Sharing Policy holders occasionally complain about Profit Sharing Policies issued by SRLEV, VIVAT's 100% subsidiary, or any of its legal predecessors, or start legal proceedings against SRLEV, often due to the fact that the applicable policy conditions do not contain a definition of profit (see also "*Litigation, regulatory measures, and other proceedings or actions*").

The continuing risk that one or more European countries could exit the Eurozone and/or EU

Despite recent improvements in the financial position of many European countries, there remains a risk that financial difficulties may result in certain European countries exiting the Eurozone and/or EU. This can also be caused by changes in the political landscape and/or by a referendum. To date, only the public in the UK has voted in favor of the British government taking the necessary action for the UK to leave the European Union. The possible exit from the Eurozone and/or EU of one or more European countries (in addition to the UK) and, as a consequence, the potential replacement of the euro by one or more successor currencies could create significant uncertainties regarding the enforceability and valuation of euro denominated contracts to which the VIVAT Group or its counterparties are a party and thereby materially and adversely affect the business, revenues, results, financial condition and prospects of both VIVAT Group's and/or its counterparties'. As is also apparent from the negotiations on the UK's exit from the European Union, it is not clear what steps will need to be taken for a country to leave the European Union or the length of time that this may take.

Such uncertainties may include the risk that (a) a liability that was expected to be paid in euro is redenominated into a new currency (which may not be easily converted into other currencies without significant cost), (b) currencies in some European countries may devalue relative to others, (c) former Eurozone and/or member states of the European Union ("**EU Member States**") may impose capital controls that would make it complicated, illegal or more costly to move capital out of such countries, and/or (d) some courts (in particular, courts in countries that have left the Eurozone and/or EU) may not recognise and/or enforce claims denominated in euro (and/or in any replacement currency). The possible exit from the Eurozone and/or EU of one or more European countries and/or the replacement of the euro by one or more successor currencies could also cause other significant market dislocations and lead to other adverse economic and operational impacts that are inherently difficult to predict or evaluate. The occurrence of one or more of these events could have a material adverse effect on the business, results, financial condition and prospects of the VIVAT Group and its counterparties. In addition, it is unclear at this stage what the consequences of the UK's departure from the European Union will ultimately be for the VIVAT Group or the trading price of the Notes.

The VIVAT Group is exposed to the risk of a downgrade or withdrawal of any of its credit ratings or financial strength ratings

In general, financial strength ratings are important factors affecting public confidence in insurers, and are as such important to the VIVAT Group's ability to sell its products and services to existing and potential customers, as well as to certain other activities of the VIVAT Group involving credit risk. Credit ratings represent the opinions of rating agencies regarding an entity's ability to repay its indebtedness. On an operating subsidiary level, financial strength ratings reflect the opinions of rating agencies on the financial ability of an insurance company to meet its obligations under an insurance policy, and are typically referred to as "claims-paying ability" ratings. Furthermore, a downgrade or a potential downgrade in VIVAT's (or its "rated" subsidiaries') credit or financial strength ratings or withdrawal of its rating could have a material adverse effect on VIVAT's (or its "rated" subsidiaries') ability to raise additional capital, or increase the cost of additional capital, could result in, amongst others, a loss of existing or potential business (including losses on customer withdrawals), lower assets under management and fee income, and decreased liquidity, and could have adverse consequences for the ability of VIVAT (or its "rated" subsidiaries) to hedge financial and other risk, any of which could have a material adverse effect on the VIVAT Group's business, revenues, results, financial condition and prospects.

At the date of this Offering Memorandum, VIVAT has an issuer default rating only from Fitch, which stands at BBB (with outlook 'evolving'). On 26 February 2018 Fitch affirmed the ratings of VIVAT and changed the outlook from 'stable' to 'evolving'. The outlook revision reflects the view of Fitch of heightened uncertainty whether Anbang will remain VIVAT's owner longer-term. The affirmation of the ratings reflect the view of Fitch that VIVAT's credit profile as a standalone Dutch insurer is not directly affected by the credit profile of its parent. Fitch believes that the regulatory governance framework in the Netherlands protects VIVAT's capitalisation and policyholders through restrictions on minimum capital position and on capital flows to its parent. Fitch also believes that the announcement by the China Insurance Regulatory Commission ("**CIRC**") does not affect this capital protection. Fitch does not have any direct or indirect knowledge of any actions of CIRC is contemplating in its oversight of Anbang.

The following operating subsidiaries of VIVAT have other financial strength ratings:

- SRLEV has the following financial strength rating: Moody's: Baa2 (last updated 14 March 2018, when Moody's regarded the outlook as "negative"). Fitch: BBB+ (last updated 26 February 2018, when Fitch regarded the outlook as "evolving"); and
- VIVAT Schadeverzekeringen has the following financial strength rating: Moody's: Baa2 (last

updated 14 March 2018, when Moody's regarded the outlook as "negative"). Fitch: BBB+ (last updated 26 February 2018, when Fitch regarded the outlook as "evolving").

Rating agencies review insurers' ability to meet their obligations (including to policyholders and their creditworthiness generally) based on various factors, and assign ratings stating their current opinion in that regard. Most of the factors are specific to the rated company itself. In case of the VIVAT Group, the rating will also depend, in part, on the credit quality/financial strength of Anbang, the importance of the VIVAT Group in the investment portfolio of Anbang and/or how the VIVAT Group will be managed. If a rating agency considers itself unable to reach an adequate assessment on these aspects, it is likely that its rating(s) will be downgraded, suspended and/or withdrawn. While most of the factors are specific to the rated company and its majority shareholder, some relate to general economic conditions, intercompany dependencies and other circumstances outside the rated company's control. Such factors might also include a downgrade of the sovereign credit rating of the Netherlands as rating agencies typically take into account the credit rating of the relevant sovereign in assessing the credit and financial strength ratings of a corporate issuer. Rating agencies have increased the level of scrutiny that they apply to financial institutions, have increased the frequency and scope of their reviews, have requested additional information from the companies that they rate, and may adjust upward the capital and other requirements employed in the rating agency models for maintenance of certain ratings levels. The VIVAT Group may need to take actions in response to changing standards or capital requirements set by any of the rating agencies, which may not otherwise be in the best interests of the VIVAT Group. The VIVAT Group cannot predict what additional actions rating agencies may take, or what actions the VIVAT Group may take in response to the actions of rating agencies. The outcome of such reviews may have adverse ratings consequences. Any downgrade (especially if below investment grade), suspension, withdrawal or adverse consequence as referred to above, could have a material adverse effect on the VIVAT Group's business, revenues, results, financial condition and prospects.

Counterparty Risks

The VIVAT Group is exposed to financial risks such as credit risk, default risk and risks concerning the adequacy of its credit provisions

Losses incurred due to credit risk include actual losses from defaults, market value losses due to credit/financial strength rating downgrades and/or spread widening, or impairments and write-downs. The VIVAT Group is exposed to various types of general credit risk, including spread risk, default risk and concentration risk. Third parties that owe the VIVAT Group money, securities or other assets may not pay or perform under their obligations. These parties may include customers, the issuers whose securities are being held by the VIVAT Group, trading counterparties, counterparties under swaps and other derivative contracts, clearing agents, exchanges, clearing houses and other financial intermediaries. These parties may default on their obligations to the VIVAT Group due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other reasons.

The business of the VIVAT Group is also subject to risks that have an impact on the adequacy of its credit provisions. These provisions relate to the possibility that a counterparty may default on its obligations to the VIVAT Group which arise from financial transactions. Depending on the actual realisation of such counterparty default, the current credit provisions may prove to be inadequate. If future events or the effects thereof do not fall within any of the assumptions, factors or assessments used by the VIVAT Group to determine its credit provisions, these provisions could be inadequate.

The VIVAT Group is also exposed to concentration risk, which is the risk of default by counterparties or investments in which it has taken (relatively) large position. These risks are related to among others

investments in sovereigns, financials and corporates.

Any of these financial risks could have a material adverse effect on the VIVAT Group's business, revenues, results, financial condition and prospects.

The VIVAT Group is exposed to counterparty risk in relation to financial institutions

Due to the nature of the global financial system, financial institutions such as the VIVAT Group are interdependent as a result of trading, counterparty and other relationships (e.g., relationships with third parties in respect of savings-linked mortgages). Other financial institutions with whom the VIVAT Group conducts business, act as counterparties to the VIVAT Group in such capacities as borrowers under loans, issuers of securities, customers, reinsurance companies, trading counterparties, counterparties under swaps and credit and other derivative contracts, clearing agents, exchanges, clearing houses, brokers and dealers, commercial banks, investment banks, mutual and hedge funds and other financial intermediaries. In any of these capacities, a financial institution acting as a counterparty may not perform its obligations due to, among other things, bankruptcy, lack of liquidity, market downturns or operational failures, and the collateral or security it provides may prove inadequate to cover their obligations at the time of the default. The interdependence of financial institutions means that the failure of a sufficiently large and influential financial institution due to disruptions in the financial markets could materially disrupt securities markets or clearing and settlement systems in the markets. This could cause severe market declines or volatility. Such a failure could also lead to a chain of defaults by counterparties that could materially adversely affect the VIVAT Group. This risk, known as "systemic risk", could adversely impact future product sales as a result of reduced confidence in the insurance and banking industries. It could also reduce results because of market declines and write-downs of assets and claims on third parties. The VIVAT Group believes that despite increased focus by regulators around the world with respect to systemic risk, this risk remains part of the financial system in which the VIVAT Group operates and dislocations caused by the interdependency of financial market participants could have a material adverse effect on its business, revenues, results, financial condition and prospects.

Insurance Risks

Changes in longevity, mortality and morbidity experience

The insurance portfolio is exposed to longevity risk (i.e., the risk that an insured party lives longer than was projected at the time its policy was issued, with the result that the insurer must continue paying under the policy longer than anticipated), mortality risk (i.e., the risk the insured party dies sooner than was projected at the time its policy was issued) and morbidity risk (i.e., the risk that more policyholders than anticipated will suffer from long-term health impairments and the risk that those who are eligible to make a claim do so for longer than anticipated and therefore longer than was reflected in the price of the policies and in the liability established for the policies). In valuing the insurance liabilities and in establishing the pricing and reserving standards, assumptions are used to model the future benefit payments, which may be different from the actual benefit payments that will become due in the future. Although the assumptions are reviewed and updated periodically based on experiences in the past, the uncertainties (such as the improvements in medical treatments that prolong life without restoring the ability to work) associated with the assumptions make it impossible to have assurance that the assumptions will indeed prove to be adequate in the future. Changes in assumptions could lead to additions to the provisions on account of longevity, mortality and morbidity risks in future years, which could result in significant losses that could have a material adverse effect on the revenues, results, financial condition and prospects of the VIVAT Group.

Adverse experience compared to the assumptions used in pricing products, establishing provisions and

reporting business results

In accordance with industry practices and regulation, models are used to interpret and process data. Actuarial and risk models are inherently uncertain and involve the exercise of significant own judgement. Therefore it cannot be determined with absolute precision what amounts should be paid for, the timing and level of payment of actual benefits, claims and expenses or whether the assets supporting the policy liabilities, together with future premiums, will be sufficient. If actual experience differs from assumptions or estimates, the profitability of the products may be negatively impacted, which may incur losses, and capital and reserves may not be adequate, and the effectiveness of the hedging programmes may be adversely affected. Processes have been established to periodically review the adequacy of the data, both internal and external, methods and models. Notwithstanding these reviews, statistical methods and models may not accurately quantify the risk exposure if circumstances arise that were not observed in the data or if the data proves to be inaccurate. This may have a material adverse effect on the revenues, results, financial condition and prospects of the VIVAT Group.

Increase in policy lapses and increase of paid-up rates

The VIVAT Group is exposed to the risk of change in policy lapses and a change of paid-up rates. Such changes may lead to a substantial decrease in future profits which are currently part of the Solvency II own funds, thus leading to a decrease in own funds. In order to satisfy the resulting obligations to make cash payments to policyholders in case of a lapse event, the VIVAT Group may be forced to sell assets at reduced prices and thus realise investment losses. The extent of such investment losses depends on various circumstances, including the type of policy lapsed, the time window in which they lapse and the market circumstances at that time. Such a sale of investment assets may also result in a decrease in the VIVAT Group's assets under management, which could result in reduced fee income as fee income is typically linked to the value of the assets under management. Furthermore, this also influences the assumptions used to forecast (future) policy lapses and paid-up rates, which are reviewed and updated periodically. The uncertainties associated with these assumptions make it impossible to have assurance that the assumptions will indeed prove to be adequate in the future. The present value impact of changes in these assumptions could lead to additions to the liabilities vis-a-vis policyholders. This may have a material adverse effect on the business, revenues, results, financial condition and prospects of the VIVAT Group.

Reinsurance may not be available, affordable or adequate to protect the VIVAT Group against losses, and reinsurers may default on their reinsurance obligations

The VIVAT Group has transferred and may further transfer its exposure to certain risks in the insurance business to third parties through reinsurance arrangements. Under these arrangements, other insurers assume a portion of the potential losses and expenses associated with reported and unreported losses in exchange for a portion of policy premiums. The availability, amount and cost of reinsurance depend on general market conditions and may vary significantly. Therefore it could happen that additional expenses are needed for reinsurance or even that there is no possibility to obtain sufficient reinsurance on acceptable terms, which could negatively affect the ability to write future business and increase the exposure to losses. When reinsurance is obtained, the VIVAT Group will still be liable for those transferred risks if the reinsurer cannot meet its obligations. Therefore, the inability of the reinsurers to meet their financial obligations could materially affect the results of the VIVAT Group. Reinsurers are chosen with care, given the risk appetite and the reinsurance policy. Counterparties will be assessed on compliance with Solvency II (as defined below), rating, continuity, partnership, capacity and market experience. Despite the assessment and the periodic review of the financial statements and reputations of the reinsurers, the reinsurers may become financially unsound by the time they are called upon to pay amounts due, which may not occur for many years.

Unforeseeable and/or catastrophic events, terrorist attacks and similar events could have a negative impact on the business and results of the VIVAT Group

Catastrophes could result in substantial impact on the business, revenues, results, financial condition and prospects of the VIVAT Group. Catastrophe risk can come about a single event, or series of events, that leads to a significant deviation in actual claims from the total expected claims that may exceed its established provisions. These unpredictable/unforeseeable events may affect multiple insured risks. Such events include both natural and man-made events, such as, but not limited to pandemics, climate change, weather related events and man-made disasters such as civil unrest and terrorist attacks. The VIVAT Group has several reinsurance contracts to mitigate known risks (the placement of these reinsurance contracts is with a reinsurance panel, consisting of reinsurers which each should in general have a minimum credit rating of at least A- in accordance with the VIVAT's Group's internal policy), but the extent of possible losses is still related to their frequency, the severity of each individual event, the availability of reinsurance options, the affordability of these options and their adequacy to protect against losses. Reinsurers may also default on their reinsurance obligations. In accordance with industry practices, provisions are established based on estimates using actuarial projection techniques. The process of estimating is based on information available at the time the provisions are originally established. Although the adequacy of the provisions are continually reviewed and believed to be sufficient, there is no assurance that actual claims will not exceed estimated claim provisions. An inadequate provision can lead to losses, premium events and massive loss of customers and even to abrupt interruption of activities.

Non-life businesses' claims may prove to be more frequent and severe than anticipated

The VIVAT Group's Non-life businesses are exposed to claims frequency and severity risks, in particular the risk that more policyholders than anticipated suffer a claim or that claims prove to be more expensive than anticipated. As a result, premiums and provisions may become inadequate. Although the VIVAT Group believes that its established provisions are adequate, due to the uncertainties associated with such provisions, there can be no assurance that such provisions will indeed be adequate. Should the provisions appear to be insufficient, the VIVAT Group's business could suffer significant losses that could have a material adverse effect on its business, revenues, results and financial condition.

A failure to accurately estimate inflation and factor it into the VIVAT Group's product pricing, expenses and liability valuations could have a material adverse effect on the VIVAT Group's business, revenues, results and financial condition

A failure to accurately estimate inflation and factor it into the VIVAT Group's product pricing and liability valuations with regard to future claims and expenses could result in the systemic mispricing of long-term life and non-life insurance products resulting in underwriting losses, and in restatements of insurance liabilities, which could have a material adverse effect on the VIVAT Group's business, revenues, results and financial condition. In the case of expenses, the VIVAT Group's most significant exposure to inflation risk is in its life insurance and long-term disability business. With respect to claims, the VIVAT Group's most significant exposure to inflation risk is in its funeral, disability and long tail P&C insurance policies. Although the property portfolio generally provides a natural inflation hedge, it may not offset the effects of inflation on the VIVAT Group's business.

A sustained increase in inflation may result in (a) claims inflation (which is an increase in the amount ultimately paid to settle claims several years after the policy coverage period or event giving rise to the claim), expense inflation (which is an increase in the amount of expenses that are paid in the future) and indexation (increase of accrued pension), respectively, coupled with (b) an underestimation of corresponding reserves at the time of establishment due to a failure to fully anticipate increased inflation and its effect on the amounts ultimately payable, and, consequently, actual claims or expense payments that significantly exceed associated insurance reserves, which could have a material adverse effect on

the VIVAT Group's business, revenues, results and financial condition. An increase in inflation may also require the VIVAT Group to update its assumptions. Updates in assumptions would result in an immediate change in the present value of the claims or expenses, respectively, used to determine available (regulatory) capital and would therefore have an immediate impact on available (regulatory) capital. Changes in assumptions could therefore have a material adverse effect on the VIVAT Group's business, revenues, results and financial condition.

Regulatory and Litigation Risks

The VIVAT Group operates in industries that are highly regulated

The VIVAT Group conducts its business in an environment that is highly regulated, for example by financial services laws and regulations, corporate governance and administrative requirements and policies. The financial services industry continues to be subject to significant regulatory scrutiny and increasing regulation, both internationally and domestically. The political climate and the political parties holding government in the Netherlands often determine the supervisory authorities' agendas and focus points. This trend has accelerated markedly as a result of the financial crisis of 2008. This has led to a more intensive approach to supervision and oversight, increased expectations, stricter interpretations of existing laws and regulations, a sharp increase in the volume of new laws and regulations and the pace at which they are issued, enhanced requirements and enforcement, and an increasing frequency and amount of data requests and visits from competent supervisory authorities. Over the past years, the general trend in regulation has been to hold insurance institutions to increasingly stricter and more detailed standards concerning their duty of care to their customers. For example this trend affects the VIVAT Group's life insurance business through rules regarding the sale of pension and life insurance products to individuals and regarding the duty of care to instigate customers with specific investment insurance policies to review their position and subsequently take adequate action.

Implementing and monitoring compliance with applicable requirements means that the VIVAT Group must continue to have a large staff dedicated to these activities and to spend monetary and management resources and to create sufficient awareness with the business staff of the products and services the VIVAT Group offers and the rules applicable to them. If the VIVAT Group is unable to commit sufficient resources for regulatory compliance, this could lead to delays and errors, and may force it to choose between prioritising compliance matters over support for commercial activities, or may ultimately force the VIVAT Group to cease the offering of certain products or services. Organisational change as well as the pursuance by the VIVAT Group of its strategic objectives (including growth and extended scale) may result in employees and their knowledge and expertise leaving the VIVAT Group and an increased strain on the existing organisation. As a result resources for regulatory compliance may turn out to be insufficient.

Any delays or errors in implementing regulatory compliance could lead to substantial monetary damages and fines, loss of significant assets, public reprimands, a material adverse effect on the VIVAT Group's reputation, regulatory measures in the form of cease and desist orders, increased regulatory compliance requirements or other potential regulatory restrictions on the VIVAT Group's business, enforced suspension of operations and in extreme cases, withdrawal of licences or authorisations to operate particular businesses, or criminal prosecution in certain circumstances, any of which could have a material adverse effect on the VIVAT Group's business, revenues, results, financial condition and prospects.

Certain additional related risks are discussed more specifically in various subparagraphs below, including under "*Risk and impact of recent and ongoing financial regulatory reform initiatives*".

Changes in reporting standards or policies could adversely affect the VIVAT Group's reported results and the reported financial condition

The VIVAT Group's consolidated financial statements are subject to the application of IFRS, which are periodically revised or expanded. As a result, the VIVAT Group is required to adopt new or revised reporting standards issued by the International Accounting Standards Board and endorsed by the European Commission (the "EC"). It is possible that future new or amended IFRS's, which the VIVAT Group is required to adopt, will change the current accounting treatments that the VIVAT Group applies in its consolidated financial statements. Such changes could have a material adverse effect on the VIVAT Group's reported results and its reported financial condition.

Especially the expected implementation of IFRS 9 (effective for the VIVAT Group as from 1 January 2021 due to the application of the temporary exemption) and the new standard on insurance contracts – IFRS 17 (effective as from 1 January 2021) – will lead to changes in the VIVAT Group's reporting policies. The package of improvements introduced by IFRS 9 includes a new model for classification and measurement of financial assets, a single, forward-looking 'expected loss' impairment model and a more principle-based approach to hedge accounting. IFRS 17 introduces (among other things) new measurement and presentation principles for insurance contracts; measurement of insurance liabilities is primarily based on current estimates and unearned future profits, if any, are recognised as a part of these liabilities. In addition to these changes, the VIVAT Group may choose to adjust its reporting policies, if compliant with IFRS, in order to align its statutory reporting with its regulatory reporting. All changes in reporting standards, either mandatory or optional, may lead to material adverse effect on the VIVAT Group's reported results and reported financial condition. At this moment it is not possible to make a reliable quantified estimation of the impact of these changes on the results and financial condition of the VIVAT Group.

IFRS 16, the new standard on leases, has an effective date of 1 January 2019. According to this new standard, lessees (the users of the underlying assets) no longer make a distinction between finance and operational lease with respect to the recognition of leased assets and related lease obligations in scope of IFRS 16. The main change, arising from this equality, involves the accounting of operational leases by a lessee. In its statement of financial position the lessee shall recognise a right-of-use asset representing the right to use the underlying asset and a lease liability representing the obligation to make lease payments to the lessor. In its statement of profit or loss a lessee shall recognise a depreciation charge regarding the assets in use and interest rate expense over its lease liabilities. The introduction of IFRS 16 is expected to have no significant impact on VIVAT's equity, nor on its future results.

The VIVAT Group is subject to stress tests and other regulatory enquiries

In order to assess the level of available capital in the insurance sector, the national and supra-national regulatory authorities (such as EIOPA) require solvency calculations and conduct stress tests where they examine the effects of various adverse scenarios on insurers. Furthermore, DNB periodically conducts thematic supervisory investigations. Announcements by regulatory authorities that they intend to carry out such calculations, tests or investigations can destabilise the insurance sector and lead to a loss of trust with regard to individual companies or the insurance sector as a whole. In the event that the VIVAT Group's results in such calculations, tests or investigations are worse than those of its competitors and these results become known, this could also have adverse effects on the VIVAT Group's financing costs, customer demand for the VIVAT Group's products and the VIVAT Group's reputation. Furthermore, a poor result by the VIVAT Group in such calculations, tests or investigations could influence regulatory authorities in the exercise of their discretionary powers.

Changes in tax laws and international developments

Changes in tax laws, tax policy or case law may make some of the VIVAT Group's insurance, pensions, investment management and other products less attractive to customers, decreasing demand for certain of the VIVAT Group's products and increasing surrenders of certain of the VIVAT Group's in-force life insurance policies, which may have a material adverse effect on the VIVAT Group's business, revenues, results, financial condition and prospects. Changes in the applicable tax legislation, in the interpretation of existing tax laws, amendments to existing tax rates, or the introduction of new tax legislation, specifically with respect to taxation of insurance and investment management companies, may lead to a higher tax burden on the VIVAT Group, material impact on the VIVAT Group's tax receivables and liabilities as well as deferred tax assets and deferred tax liabilities, and may have a material adverse effect on the VIVAT Group's business, results and financial condition. A future higher tax burden on the VIVAT Group may also be a consequence of international developments (and the local implementation thereof), including but not limited to the OECD anti-Base Erosion and Profit Shifting Project and the European Anti-Tax Avoidance Directives. Amendments to applicable laws and tax policy may be issued or altered with retroactive effect. Additionally, tax authorities may change their interpretations of tax laws at any time, and/or challenge applied tax procedures or positions taken, which may lead to a higher tax burden on the VIVAT Group. While changes in taxation laws and tax policy would affect the insurance sector as a whole, changes may be more detrimental to particular operators in the industry. A higher tax burden on the VIVAT Group could negatively impact the financial condition of the VIVAT Group.

Under current law, payments under the Notes are not subject to withholding tax in the Netherlands. In the 2017 Dutch Coalition Agreement dated 10 October 2017 (*Regeerakkoord 2017 "Vertrouwen in de toekomst"*), a large number of policy intentions of the new Dutch government are set out. On 23 February 2018, the Dutch Deputy Secretary for Finance published a letter with an annex containing further details on the government's policy intentions against tax avoidance and tax evasion.

One of the policy intentions is the introduction of a thin capitalisation rule for banks and insurers that would limit the deduction of interest on debt exceeding 92% of the commercial balance sheet total. Many aspects of this policy intention remain unclear, but if this rule is implemented in Dutch law it may have an adverse impact on the amount of interest that the Issuer can deduct for corporate income tax purposes and thus on its financial position. The Dutch Deputy Secretary for Finance announced that it is intended for the thin capitalisation rule to be effective from 2020 onwards.

Another policy intention relates to the introduction of a withholding tax on interest paid to beneficiaries in low-tax jurisdictions or in countries that are included in the EU list of non-cooperative jurisdictions as of 2021. A proposal of law to that effect will be submitted to the Dutch parliament in 2019. The interest withholding tax would apply to certain payments made by a Dutch entity directly or indirectly to group companies in a jurisdiction with a low tax or a non-cooperative jurisdiction. Because the exact scope of the legislation to be proposed is not yet known, it cannot entirely be excluded that interest payments under the Notes will become subject to Dutch withholding tax. Many aspects of this policy intention remain unclear. As at the date of this Offering Memorandum, no clear definition has been provided of what is considered to be a low-tax jurisdiction and it is not clear whether the withholding tax obligation will extend to publicly listed bonds. Should payments under the Note become subject to Dutch withholding tax, the Issuer may be required to pay additional amounts in which case the Issuer will be entitled to an early redemption of the Notes.

Litigation, regulatory measures and other proceedings or actions

The VIVAT Group faces potentially significant risks of litigation, regulatory activity and measures (including investigations) as well as other actions in the conduct of its business. In the Netherlands, both the number and size of claims, litigation, regulatory measures, investigations, proceedings and other

adversarial events (including, without limitation class actions) against financial institutions are increasing. These legal risks could potentially involve, but are not limited to, disputes concerning the products and services of the VIVAT Group and its position as principal, issuer of securities or otherwise.

Increasingly, financial institutions are held liable by customers for actions of intermediaries even if there has been little to no control over the actions of such intermediaries. Also, the VIVAT Group is increasingly exposed to collective claims (with or without merit) from groups of customers or consumer organisations seeking damages for an unspecified or indeterminate amount or involving novel legal claims. These risks are often difficult to assess or to quantify and their existence and magnitude often remain unknown for substantial periods of time. It is inherently difficult to predict the outcome of many of the pending or future claims, regulatory proceedings and other adversarial proceedings involving the VIVAT Group. General changes in legislation (including, without limitation, to further facilitate class actions) may affect the VIVAT Group adversely. Furthermore, changes to customer protection laws and regulations or to the interpretation and perception by both the public at large and governmental and supervisory authorities of acceptable market practices, may influence client expectations as well as the interpretation of contract terms. Such changes may relate to the requirements to the duty of care of insurers during the lifecycle of insurance and pension products, such as specifications of annual reports to customers and any future demands of legislators and/or regulators to provide special, occasional information. Consequently, such changes may result in products not meeting client expectations and, consequently, clients making claims against the Group. Furthermore, such changes may result in clients, governmental authorities and courts interpreting contract terms differently than anticipated at the time such contract terms were determined. This risk arises particularly in respect of products with a long duration, which by nature may be subject to contract terms that have been determined without anticipating changes to customer protection regulations or to the interpretation and perception of acceptable market practices that may have occurred since. The costs to defend future actions may be significant. There may also be reputational damage and/or adverse publicity associated with litigation that could decrease customer acceptance of the VIVAT Group's products and services, regardless of whether the allegations are valid or whether the VIVAT Group is ultimately found liable (see also "*The VIVAT Group is exposed to risks of damage to its reputation*").

As a result, litigation may adversely affect the VIVAT Group's business, revenues, results, financial condition and prospects. See also "*The VIVAT Group is exposed to the level of interest rates*" and "*The VIVAT Group is exposed to (litigation) risks related to the offering of investment insurance policies and investment pension policies*".

The VIVAT Group is exposed to (litigation) risks related to the offering of investment insurance policies and investment pension policies

SRLEV has a portfolio of investment-linked insurances which consists of a variety of products with distinct characteristics and different versions of contractual documentation. SRLEV has concluded approximately 1.2 million investment-linked insurance policies, of which about 270,000 were still outstanding as of 31 December 2017, including both policies for which customers still pay premiums and policies for which customers no longer pay any premiums.

After market downturns following the year 2000, the development of value in investment-linked insurances fell behind compared to the value forecast calculations used at the time the investment-linked insurances were concluded. This drew public attention to both the (investment) risks and the costs of these products. Public attention on investment-linked products was further triggered by (i) a 2003 report by the AFM on the risks of mortgage loans combined with investment products, (ii) findings by the AFM in 2006 that insurers in some cases provided customers with incomplete and incorrect information on such products and (iii) reports published by the AFM in 2008. Various foundations and associations presented

themselves as representatives of policyholders. In 2008, the Ombudsman of the Financial Services Complaints Institute ("**KiFiD**") issued a recommendation in which it proposed to limit the cost level of investment-linked insurances.

Organisations representing policyholders' interests have engaged with various large insurers to come to a settlement with each of these insurers. In this regard, SRLEV entered into a general agreement with several organisations representing policyholders on 24 March 2009, which was followed up by a settlement agreement dated 15 November 2010 (the "**Compensation Agreement**") for the benefit of policy holders, maximising the costs of investment insurance policies: the costs of the investment insurance policies should be lower than a certain (in the Compensation Agreement) agreed percentage of the accumulated value of the concerned insurance. If these costs are higher than the maximum costs, SRLEV will compensate the policyholders. The agreements with the organisations are not binding to policyholders. Consequently, neither the implementation of the compensation schemes nor the additional measures offered by SRLEV (see below) prevent individual policyholders from initiating legal proceedings against SRLEV and making claims for damages. The Compensation Agreement has been executed.

After entering into the Compensation Agreement, SRLEV – as a response to the lack of confidence resulting from the ongoing debates on the investment-linked insurances – took additional measures to instigate clients, amongst others, to review their position and subsequently take adequate action. These measures are generally referred to as 'Additional Policy' (*Flankerend Beleid*). The Dutch Minister of Finance (the "**Minister**") formulated guidelines, commonly called "the best of class policy", which guideline SRLEV has implemented, and which focus on instigating clients to review their position and on insurers offering alternative products to these clients.

At the request of the Minister, SRLEV (as well as other offerors of investment-linked insurances) did (and does) not invoke the stipulation in the Compensation Agreement that payment of compensation takes place against full and final settlement. Policyholders are therefore entitled to claim additional compensation. A number of policyholders – a number of which are represented by consumer organisations – have pursued, and in some cases are still pursuing, claims, which in some case have led to legal proceedings. Claims are – amongst others – based on the following grounds:

- breach of duty of care regarding pre-contractual disclosure obligations, especially relating to costs, product risks and investment risk in general;
- the costs related to the insurances were not (fully) agreed upon and too high;
- the effect of costs on the potential value of the policy is not (fully) disclosed;
- failure to inform clients during the duration of the policy about (diminishing) chances of achieving the calculated final capital; and/or
- the insurances are considered defective financial products as they have proven not to withstand mid-term fall in prices ('*crash risk*').

Legal proceedings were initiated against SRLEV, either before the civil courts or the complaints committee of KiFiD. 62 proceedings were still pending on 31 December 2017, including a class action brought by Vereniging-Woekerpolis.nl regarding Swiss Life Belegspaarplan and AXA Verzekerd Hypotheekfonds. By judgement of 20 December 2017 of the District Court Noord Holland almost all collective claims have been denied, except for two elements. The Court ruled that SRLEV did not meet its obligation to provide information on increasing life premiums as the accrued capital diminishes (*hefboom en inteereffect*) and as a result committed tort. The Court also nullified a condition regarding cost indexation and held that the indexation increase is therefore (in part) unduly paid by clients. The judgement does not have immediate effect. The VIVAT Group believes that the judgement does not have substantial influence on the

assessment of its investment insurances risk profile. Both Woekerpolis.nl and SRLEV filed appeal against the judgement.

As per 31 December 2017, a total amount of 384 proceedings were settled. The total of settlement amounts paid is approximately EUR 1,379,000 as per 31 December 2017. Although the number of cases in which insurers are ordered to pay damages is limited, SRLEV still receives new claims and new legal proceedings are still initiated, mostly before the complaints committee of KiFiD.

The attention of the public, politics and supervisory authorities does not only focus on the costs of investment-linked insurances but also on the efforts undertaken by insurers to instigate clients with an active investment-linked insurance to review their position and take adequate action. In order to improve the number of clients actually reviewing their position and taking adequate measures, the AFM has set target figures with a strong focus on the so called 'non-accumulating policies' (*niet opbouwende polissen*, "NOPs"). Policies qualify as NOP if, based on the status on 1 January 2013 and a projected return of 4%, the increase in value at expiration date is lower than the total of the paid premiums over the same period. The AFM increased the pressure on insurers by setting a 'level of ambition' of 100% of the clients involved to take action before the end of Q1 2014. SRLEV did not succeed in achieving this level of ambition for the clients involved and, subsequently, SRLEV set a level of ambition of 80% at year end 2014. Despite initiatives to stimulate clients to come into action, the percentage realised by SRLEV was under target and substantially lower compared to peers. The AFM therefore decided to submit a complaint against SRLEV at the Disciplinary Tribunal Financial Services (*Tuchtraad Financiële Dienstverlening*). The Disciplinary Tribunal Financial Services ruled on 15 July 2016 that SRLEV, by publicly making commitments as to the number of clients it could stimulate to come into action which it knew or should reasonably have known it could not meet, harmed the public confidence in the insurance sector around an already highly sensitive matter. The Disciplinary Tribunal Financial Services advised the Dutch Association of Insurers (*Verbond van Verzekeraars*) to give SRLEV an official warning, which advice was followed.

On 18 July 2015, legislation became effective, obligating insurers to comply with target figures set by the AFM to instigate clients with NOPs, mortgage-linked insurances, pension-linked insurances and other investment-linked insurances to review their position and subsequently take adequate action. This legislation also enables the AFM to impose sanctions if instigation targets set by the AFM are not met by the insurers. Given the variety in (historic) products involved, SRLEV faces significant operational challenges to execute all prescribed detailed actions to activate clients involved within time limits set.

In December 2017, the AFM published the results of its investigation of the activation by insurers of pension or mortgage related policies. The AFM's assessment of VIVAT's activations of these policies revealed shortcomings. VIVAT has established and executed a recovery plan. VIVAT is now waiting for the AFM's assessment, which is expected end Q2/beginning Q3 2018.

On 29 April 2015, the European Court of Justice issued its ruling on preliminary questions submitted in relation to unit-linked products. The main preliminary question considered by the European Court of Justice was whether European law permits the application of information requirements based on general principles of Dutch law that extend beyond information requirements as explicitly prescribed by laws and regulations in force at the time the policy was written. The European Court of Justice ruled that the information requirements prescribed by the applicable European directive may be extended by additional information requirements included in national law, provided that these requirements are necessary for a policyholder to understand the essential characteristics of the commitment and are clear, accurate and foreseeable. Although the European Court of Justice does not decide on the applicable standards in

specific cases and solely provides clarification on the interpretation of the applicable European directive, the ruling of the European Court of Justice has given clarification on this question of legal principle which is also the subject of other legal proceedings in the Netherlands. Dutch courts will need to take the interpretation of the European Court of Justice into account in relevant proceedings. In 2016 and 2017 there have been judgments by both the complaints committee of KiFiD and courts related to other insurers as well as SRLEV regarding the interpretation of the ruling of the European Court of Justice. In 2017, the complaints committee of KiFiD rendered a judgment and a binding advice stating that SRLEV was required to pay additional compensation to the policyholders involved. At the date of this Offering Memorandum there is no solid, general approach. Jurisprudence has to evolve which will take substantial time.

Any future rulings in legal proceedings concerning investment-linked insurances and also the legal duty to instigate clients with NOPs, mortgage-linked, pension-linked and other investment-linked insurances to review their position and subsequently take adequate action, may substantially affect the financial situation and reputation of SRLEV. This, in turn, may negatively affect the VIVAT Group's business, revenues, results, financial condition and prospects, since SRLEV is regarded its main asset.

There has been for some time and there continues to be political, regulatory and public attention focused on the unit-linked issue in general. Elements of unit-linked policies are being challenged or may be challenged on multiple legal grounds in current and future legal proceedings. There is a risk that one or more of those legal challenges will succeed, which could have a material adverse effect on the VIVAT Group's business, results, financial condition and prospects.

VIVAT has provided several 403-Statements within the VIVAT Group

VIVAT has provided a statement in accordance with section 2:403 of the Dutch Civil Code (*Burgerlijk Wetboek*) in relation to its (indirect) subsidiaries Bemiddelingskantoor Nederland B.V. (formerly known as SNS Verzekeringen B.V.) and Volmachtkantoor Nederland B.V., pursuant to which VIVAT declares itself to be jointly and severally liable for the legal acts performed by aforementioned entities. The 403-statement provided in relation to SRLEV was revoked in November 2015 and the 403-statement provided in relation to Proteq Levensverzekeringen N.V. ("**Proteq**") and VIVAT Schadeverzekeringen was revoked in January 2017. VIVAT can be held liable for any damages deriving from acts of these entities performed up until such revocation. This may adversely affect the VIVAT Group's business, revenues, results, financial condition and prospects.

The Group is subject to stringent data privacy laws and may therefore be exposed to increased compliance costs and to confidentiality and security breaches

The VIVAT Group is subject to complex and evolving Dutch, European and other jurisdictions' laws and regulations regarding the collection, retention, sharing and protection of data which the VIVAT Group receives from, and which concern, customers, as well as its personnel and third parties it deals with. Many of these laws and regulations are subject to change and new, additional requirements may require the VIVAT Group to modify its business practices and develop new systems and processes, which may increase costs of operations. The VIVAT Group makes use of data (e.g., to price its products, i.e., dynamic insurance pricing) that give rise to increased risk of non-compliance under the legal data protection frameworks. Members of the VIVAT Group that are subject to Dutch and European data protection laws and process, or have third party service providers process personal data in jurisdictions that do not offer a similar level of data protection, are subject to an increased risk of non-compliance with data protection legislation. Security breaches may lead to unlawful use of personal data for which the VIVAT Group is responsible, as well as notification obligations towards financial and other supervision bodies (e.g., data protection authorities) or affected individuals, damage to the VIVAT Group's reputation and claims from individuals.

The General Data Protection Regulation ("**GDPR**") has entered into force on 25 May 2018 and applies across the European Union ("**EU**"). The GDPR imposes more stringent data protection obligations than the former EU Data Protection Directive and Dutch Data Protection Act, resulting in higher compliance burdens. In addition, the GDPR increases sanctions for data protection compliance violations of up to a maximum of EUR 20,000,000 or 4% of the VIVAT Group's global annual net turnover.

In the Netherlands, the Act on Data Breach Notifications (*Wet meldplicht datalekken en uitbreiding bestuurlijke boetebevoegdheid Cbp*) entered into force on 1 January 2016. This act amended the Dutch Data Protection Act by introducing a mandatory notification for security breaches of personal data at the VIVAT Group and third party service providers that adversely affect the privacy or personal data protection of data subjects for all data controllers in the Netherlands. The VIVAT Group has to maintain an internal register recording all security breaches experienced by the VIVAT Group third party service providers. The Act on Data Breach Notifications remains in force. However, with the entry into force of the GDPR, the Dutch sanctions regime for data breaches has been replaced with the GDPR sanctions regime. Under the GDPR sanctions regime the DPA can impose fines of up to a maximum of EUR 10,000,000 or 2% of the VIVAT Group's global annual net turnover or EUR 20,000,000 or 4% of the VIVAT Group's global annual net turnover, depending on the type of violation. Under the GDPR data controllers must notify most serious data breaches to the Data Protection Authority within 72 hours after becoming aware of them; in some cases, the data subjects must also be informed.

The e-Privacy Directive (incorporated in the Dutch Telecommunications Act, *Telecommunicatiewet*) prescribes specific rules concerning the processing of personal data in the electronic communication sector. In the past few years, important changes have interested the electronic communication arena, for example the spread of internet based communications services. The European Commission has turned its attention to a review of the e-Privacy Directive, as part of its Digital Single Market strategy. On 10 January 2017 it published a proposal for a new e-Privacy Regulation. The proposal is currently subject to negotiations at the European Parliament and the Council. The e-Privacy Regulation may have impact on the VIVAT Group's business.

On 1 October 2017, new legislation that requires the mandatory notification of serious security breaches in the key ICT systems and provides rules on processing of personal data related to cyber security incidents (*Wet gegevensverwerking en meldplicht cybersecurity*, the "**WGMC**") came into effect. The WGMC applies to so-called 'vital providers, products and services'. The explanatory decree (*Besluit meldplicht cybersecurity*) came into effect on 1 January 2018. This decree determines to which 'vital providers, products and services' the WGMC applies. Financial sector products and services designated as vital currently only include payment systems and securities settlement infrastructures, but this could change in the future.

In addition, on 15 February 2018, a proposal for a Dutch Cyber Security Bill (*Cybersecuritywet*, "**CSW**") was submitted to Dutch Parliament. The CSW proposal implements the EU Network and Information Security Directive (Directive 2016/1148) and contains additional cyber security compliance requirements on top of the WGMC. These include basic cyber security requirements and a new sanctions regime for compliance failures, with proposed fines per violation of up to a maximum of EUR 5,000,000. The CSW applies *inter alia* to vital providers. The Dutch Minister of Justice and Security must appoint entities that are 'operators of essential services' (a sub-category of the 'vital providers' of the WGMC) by 9 November 2018. In view of the links and overlap between the WGMC and the CSW, the provisions of the WGMC will be transferred to the CSW.

While providing a complete overview of the requirements and the scope of aforementioned new cyber security laws is not possible at the date this Offering Memorandum, compliance with cyber security and notification requirements of the WGMC and CSW could cause significant additional costs to the Group.

Any failure to comply with privacy and cyber security laws and regulations or data protection policies may lead to fines and may undermine the VIVAT Group's reputation and may have a material adverse effect on the VIVAT Group's business, revenues, results, financial condition and prospects.

Risks relating to the Dutch Intervention Act, the Act on Recovery and Resolution of Insurance Companies and future legislation resulting from the EIOPA Opinion

Under the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), ("**DFSA**"), DNB and the Minister have far-reaching powers to deal with ailing Dutch insurance companies prior to insolvency. These powers, which have large been introduced by the entry into force of the Dutch Intervention Act (*Wet bijzondere maatregelen financiële ondernemingen*) on 13 June 2012 (the "**Dutch Intervention Act**"), enable DNB and the Minister to intervene in situations where an institution, including a financial group such as the VIVAT Group, faces financial difficulties or where there is a serious and immediate risk to the stability of the Dutch financial system caused by an institution in difficulty. Following a review of the Dutch Intervention Act, the powers of intervention by DNB and the Minister under the DFSA were further expanded by the Financial Markets Amendment Act 2016 (*Wijzigingswet financiële markten 2016*), which entered into force on 1 April 2016.

The powers granted to DNB and the Minister allow them to commence proceedings which may lead to (a) the transfer of all or part of the business of an ailing insurance company or its holding company to a private sector purchaser or a "bridge entity", (b) the transfer of the shares in an ailing insurance company or its holding company to a private sector purchaser or a "bridge entity", (c) immediate interventions by the Minister concerning an ailing insurance company or its holding company, and (d) public ownership (nationalisation) of (i) all or part of the business of an ailing insurance company or (ii) all or part of the shares or other securities issued by, or (other) claims on, an ailing insurance company or its holding company. The DFSA also contains measures that limit the ability of counterparties to invoke contractual rights (such as contractual rights to terminate or to invoke a right of set-off or to require security to be posted) if the right to exercise such rights is triggered by intervention of DNB or the Minister based on the DFSA or by a circumstance which is the consequence of such intervention. There is a risk that the exercise of powers by DNB or the Minister under the Dutch Intervention Act could have a material adverse effect on the performance by the failing institution of its payment and other obligations under debt securities or result in the expropriation, write-off, write-down or conversion of securities such as shares and debt obligations issued by the failing institution or its parent. Any such exercise of powers by DNB or the Minister may affect the VIVAT Group and securities issued by entities within the VIVAT Group and, consequently, may also affect the Notes and VIVAT as issuer of the Notes and as holder of securities issued by its subsidiaries.

On 28 November 2017, a legislative proposal for an Act on Recovery and Resolution of Insurance Companies (*Wet herstel en afwikkeling van verzekeraars*) was submitted to the Dutch House of Representatives (*Tweede Kamer*). The Act will further enhance the toolkit available to DNB to help recover or to resolve insurance companies and aligns DNB's powers with those available in relation to banks on the basis of the implementation of Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (the "**BRRD**"). In particular, as under the BRRD, DNB will gain the power to apply the "bail in" tool, with which DNB can write down claims of investors and other creditors, including policyholders, or convert these in instruments of ownership. Other resolution tools are the instrument of

sale of business, the transfer of business to a bridge institution and the separation of assets and liabilities. In addition, insurance groups will be required to draft recovery plans and DNB will prepare resolution plans and assess the resolvability of insurance groups. The Act is expected to be adopted by Dutch Parliament in the course of 2018. On 5 July 2017, the EIOPA also published an opinion calling for a minimum harmonized and comprehensive recovery and resolution framework for (re)insurers for the EU (the "**EIOPA Opinion**"), also largely along the same lines as the BRRD.

There is a risk that the exercise of powers by DNB or the Minister under the DFSA, including the Dutch Intervention Act and the Act on Recovery and Resolution of Insurance Companies, or under any EU legislation resulting from the EIOPA Opinion could have a material adverse effect on the performance by the failing institution, including VIVAT, of its payment and other obligations under debt securities, including the Notes, or result in the expropriation, write-off, write-down or conversion of securities such as shares and debt obligations, including the Notes, issued by the failing institution or its parent, including VIVAT.

Additional requirements for Dutch insurers to repay capital or to pay out distributions from reserves

With effect from 1 January 2014, insurers in the Netherlands are required to apply for a declaration of no objection (*verklaring van geen bezwaar*) ("**DNO**") in the event of a reduction of own funds if, at the time of the reduction, they do not satisfy the solvency capital requirement or it is likely that they will be unable to satisfy this requirement in the next twelve months. If a DNO is not received from DNB, no reduction of own funds will be allowed to be effected. VIVAT is a holding company and is dependent on loans, dividends and other payments from its operating subsidiaries to generate the funds necessary to meet its financial obligations, including the payment of dividends and payment of principal and interest on the Notes. Therefore, any such limitation on pay out of distributions by its subsidiaries to VIVAT will impact VIVAT's ability to fulfil its obligations under the Notes.

Risk relating to Solvency II or higher solvency levels imposed by DNB

As from 1 January 2016, the VIVAT Group must comply with a new solvency framework and prudential regime ("**Solvency II**"). Solvency II consists of a European Directive (2009/138/EC) implemented in Dutch law, a European Regulation ((EU) No 2015/35) and a number of technical standards and guidelines issued by EIOPA. Solvency II has created a new solvency framework in which the financial requirements that apply to an insurance, reinsurance company and insurance group, better reflect such company's specific risk profile. Solvency II introduced risk-based solvency requirements across all Member States and a new 'total balance sheet' type regime where insurers' material risks and their interactions are considered. Management of the capital position of the VIVAT Group is organised at VIVAT level.

Under Solvency II, insurers are required to hold own funds equal to or in excess of a solvency capital requirement ("**SCR**"). Solvency II categorises own funds into three tiers with differing qualifications as eligible available regulatory capital. Under Solvency II, own funds use IFRS balance sheet items where these are at fair value and replace other balance sheet items using market consistent valuations. The determination of the technical provisions is, on the one hand, based on "hedgeable" risks that can effectively be covered in the financial markets (valued at the market value of these financial instruments) and, on the other hand, "non-hedgeable" risks (valuation of which is based on a "best estimate" plus a risk margin).

To calculate the best estimate of current liabilities relating to insurance contracts, which corresponds to the probability-weighted average of future cash-flows taking account of the time value of money (expected present value of future cash-flows), insurers must use the basis risk-free interest rate curve. The basis risk-free interest rate curve is a swap curve corrected for a CRA with an extrapolation from the LLP to the UFR. On top of this, assuming certain requirements are met, insurers may use a MA or VA. The VA covers

insurance products where the MA is not applied. The MA is subject to supervisory approval and, to the extent that such approval will be granted, the MA will be applied. Currently, VIVAT applies the VA and does not apply the MA. VIVAT is keeping its options open to apply the MA in the future.

The SCR is a risk-based capital requirement which is determined using either the standard formula (set out in the European Regulation), or, where approved by the relevant supervisory authority, an (partial) internal model. The (partial) internal model can be used in combination with, or as an alternative to, the standard formula as a basis for the calculation of an insurer's SCR. In the Netherlands, such a model must be approved by DNB. VIVAT Group currently uses the standard formula.

These quantitative requirements (e.g., SCR, technical provisions) form the first pillar of supervision. The second pillar complements the first pillar with qualitative requirements regarding the governance of insurers. Rules in this pillar most importantly relate to the internal organisation of insurers including rules on key functions, risk management and the internal control of insurers. In the area of risk management the requirement of an own risk and solvency assessment ("**ORSA**") requires insurers to undertake a self-assessment of their risks, corresponding solvency requirements and adequacy of own funds. The third pillar concerns transparency and requires extensive reporting to supervisory authorities and a solvency and financial condition report to be made public.

While the aim of Solvency II is to introduce a harmonised, risk-based approach to solvency capital, there is a risk of differences in interpretation and a risk of failure by supervisory authorities to align Solvency II approaches across Europe, resulting in an unequal competitive landscape. This risk may be exacerbated by discretionary powers afforded to supervisory authorities in Member States. Whereas certain of the VIVAT Group's competitors may benefit from such failures or discretionary powers, the VIVAT Group's business could be placed at a competitive disadvantage.

In certain specific situations DNB may impose a capital add-on (i.e., a higher SCR) for the VIVAT Group. DNB has indicated that also absent a capital add-on, it feels that it is not prudent for an insurer or insurance group to target an SCR ratio of only 100%.

Should the VIVAT Group not adequately comply with the Solvency II requirements in relation to capital, risk management, documentation, and reporting processes, this could have a material adverse effect on its business, revenues, solvency (via a DNB prescribed capital add-on), results, financial condition and prospects. Additionally, there is a risk of changes to the Solvency II requirements (for example regarding the level of the UFR, the last liquid point, the underlying portfolio of the VA and own funds requirements) and/or differences in future interpretation by DNB of the Solvency II requirements and the current interpretation applied by VIVAT (for example regarding the application of the UFR in the profit sharing curve and recoverability, loss absorbing capacity of deferred taxes and own funds requirements). In this regard, for example reference is made to the review by the European Commission of the Solvency II Delegated Regulation which is currently taking place and which should be completed by the end of 2018 and the related "EIOPA's second set of advice to the European Commission on specific items in the Solvency II Delegated Regulation", which was published on 28 February 2018, and which may lead to changes to Solvency II. All of these can have a material adverse effect on the VIVAT Group's business, revenues, solvency (via a DNB prescribed capital add-on), results, financial condition and prospects.

Risk and impact of recent and ongoing financial regulatory reform initiatives

Legislators and supervisory authorities, predominantly in Europe and in the United States but also elsewhere, are currently introducing and implementing a wide range of proposals that could result in major changes to the way the VIVAT Group's global operations are regulated and could have material adverse

consequences for its business, business model, revenues, financial condition, results, reputation and prospects. The VIVAT Group may also be materially and adversely affected by changes in interpretation of existing rules, for example as a result of court judgments, or developing or changing views of regulators, tax authorities and other authorities on the application of rules. Changes in law also affect the VIVAT Group's business operations, revenues, results, financial condition and prospects. Currently, proposed or debated regulatory changes are likely to have a material impact on the VIVAT Group. Recent and ongoing prudential, conduct of business and more general regulatory and other legislative initiatives include but are not limited to:

- **EMIR.** Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on over-the-counter ("**OTC**") derivatives, central counterparties and trade repositories ("**EMIR**") has introduced new requirements to improve transparency and reduce the risks associated with the derivatives market. Some of these requirements have already entered into force, while others will do so in the near future. As a result, certain parties that enter into derivative contracts must report certain information on these contracts and their counterparties to a trade repository, apply risk mitigating techniques (including portfolio compression, marked-to-market valuation, and margining, if applicable) for all OTC derivative trades that are not cleared by a central counterparty, and clear OTC derivatives that are subject to a central clearing obligation set forth in EMIR through a central counterparty.
- **Mortgage Credit Directive.** The VIVAT Group's activities in granting mortgage loans to consumers are subject to various conduct of business rules, in particular those implementing Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014 on credit agreements for consumers relating to residential immovable property and amending Directives 2008/48/EC and 2013/36/EU and Regulation (EU) No 1093/2010 ("**Mortgage Credit Directive**"). The main provisions of the directive include information requirements, the obligation to conduct a documented creditworthiness assessment before granting the credit and requirements on early repayment. The rules implementing the Mortgage Credit Directive have been applicable as of 14 July 2016. In March 2017, the AFM issued guidance on how the costs charged to consumers for early repayments should be calculated. The AFM urged the providers of mortgage loans to re-calculate the costs that had been charged to consumers for early repayment since 14 July 2016 before the end of 2017. In 2017, VIVAT completed the re-calculations and where appropriate consumers received a compensation.
- **MiFID II.** MiFID II and Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 ("**MiFIR**"), which are applicable since 3 January 2018, contain new European rules on markets in financial instruments, have given more extensive powers to supervisory authorities and created the possibility to impose higher fines in case of infringement of its requirements. Under MiFID II and MiFIR, rules on transparency and oversight of financial markets, including derivatives markets, have been extended to have a broader application. MiFID II also strengthened investor protection by introducing additional organisational and conduct requirements.
- **PRIIPS.** The Packaged Retail Investment and Insurance Products Regulation ("**PRIIPS Regulation**") requires a key information document ("**KID**") to be provided when offering packaged retail investment and insurance products ("**PRIIPS**") to certain clients. This document must include information on the features, risks and costs of the relevant product. The PRIIPS Regulation covers, among other products, insurance-based investment products, structured

investment products and collective investment schemes. The PRIIPS Regulation applies since 1 January 2018.

- **FATCA.** Based on sections 1471-1474 of the United States Internal Revenue Code of 1986, as amended ("**U.S. Internal Revenue Code**") and Treasury Regulations thereunder, a 30% withholding tax may be imposed on U.S. source payments to a non-U.S. (foreign) financial institution (an "**FFI**"), unless the FFI either concludes an agreement with the United States Internal Revenue Service, under which an FFI agrees to comply with certain reporting, client due diligence and withholding requirements (an "**FFI Agreement**") or is based in a jurisdiction where the local government has concluded an inter-governmental agreement with the U.S. to facilitate the implementation of FATCA, as defined below (an "**IGA**"). On 18 December 2013, the U.S. and the Netherlands entered into an IGA. The VIVAT Group intends to continuously comply with the requirements of any IGA, or local legislation implementing an IGA, that is applicable to any VIVAT Group company. The Foreign Account Tax Compliance Act ("**FATCA**") has had and may continue to have a considerable administrative impact on the VIVAT Group, particularly on its client on-boarding processes, client administration and reporting systems.
- **4th and 5th EU AML/CFT Directive.** On 26 June 2015, Directive (EU) No 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC (the "**4th EU AML/CFT Directive**"), entered into force, enhancing the existing EU measures to combat money laundering and the financing of terrorism. In December 2017 political agreement was also reached between the European Parliament and the Council on further amendments to the EU anti-money laundering and counter-terrorism financing framework (the "**5th AML/CFT Directive**"). Although the deadline was 26 June 2017, the provisions of the 4th EU AML/CFT Directive (to the extent that they are new) still need to be transposed into Dutch law. The 4th EU AML/CFT Directive will be implemented in Dutch law through two separate implementing acts (*Implementatiewet vierde anti-witwasrichtlijn* and *Implementatiewet registratie uiteindelijk belanghebbenden*) which were publicly consulted in 2016 and 2017 respectively. While the first implementing act is expected to be adopted by Dutch Parliament shortly, the second will only be submitted to Parliament in early 2019, as it will also incorporate the requirements of the 5th EU AML/CFT Directive. Important changes in the EU requirements regarding anti-money laundering and the countering of the financing of terrorism (EU AML/CFT requirements) relate to additional requirements for identification and verification of the ultimate beneficial owner and extension of the definition of politically exposed persons ("**PEP's**") to domestic PEP's. The changes will have considerable impact on client on-boarding processes and may require re-papering of client files to meet the obligations on a group-wide level.
- **IDD.** By 1 October 2018, having been postponed from 23 February 2018, EU Member States will need to have implemented and apply Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution (the "**Insurance Distribution Directive**" or "**IDD**"), which contains a revision of the Insurance Mediation Directive. Existing insurance intermediaries can benefit from a transitional period for compliance until 23 February 2019. Highlights of the IDD include the following:
 - new professional and organisational requirement, including a minimum of 15 hours per year for continuous training and development for those involved in insurance distribution;

- new disclosure requirements obliging insurance intermediaries to disclose to their customers potential conflicts of interest and the nature of their remuneration;
- the sale of insurance products should be accompanied by a 'demands and needs'-test based on information obtained from the customer. If an insurance contract is proposed, it should be consistent with these demands and needs;
- new requirements relating to insurance product information. In particular, manufacturers of non-life insurance products will have to draw up a new standardised information document (the insurance product information document);
- new requirements relating to cross-selling and packaged sales. For example, in the case of the sale of an insurance product as part of a package with other (ancillary) goods or services, the intermediary will have to inform customers whether it is possible to purchase the components of the package separately and, if so, evidence of the costs and charges of each component when purchased separately;
- new requirements relating to product oversight and governance. Insurance undertakings and intermediaries that manufacture insurance products must maintain, operate and review a process for the approval of each insurance product, before it is marketed or distributed to customers. The product approval process must specify an identified target market for each product, ensure that all relevant risks to such identified target market are assessed and that the intended distribution strategy is consistent with the identified target market, and take reasonable steps to ensure that the insurance product is distributed to the identified target market; and
- additional stricter requirements for the sale of insurance-based investment products. These in particular relate to the prevention of conflicts of interest, additional information requirements, commissions and the assessment of suitability and appropriateness of specific product for specific customers.

These changes are likely to have a significant effect on the European insurance market. In particular, the IDD is likely to increase compliance obligations regarding direct sales, increasing compliance costs and the complexity of direct sales procedures. The Act implementing the IDD (*Wet implementatie richtlijn verzekeringsdistributie*) was adopted by Dutch Parliament on 6 March 2018. A draft decree accompanying the act was published for consultation in October 2017.

Risk Related to the Legal Structure of the VIVAT Group

VIVAT is a holding company with no operations and relies on its operating subsidiaries to provide it with dividend payments and other funds to meet its financial obligations and to pay out dividends

VIVAT is a holding company with no material, direct business operations, but is authorised to act to a limited degree as intermediary for insurances of its subsidiaries SRLEV and VIVAT Schadeverzekeringen and it relies on its available buffer and operating subsidiaries to provide it with liquidity. Nevertheless, all employees within the VIVAT Group are employed by VIVAT and VIVAT operationally runs the various staff departments. Consequently, VIVAT pays all costs relating to employment (however, these costs are pushed down to the operating subsidiaries). The principal assets of VIVAT are the equity and debt interests (including restricted Tier 1 and/or Tier 2 debt) it directly or indirectly holds in its operating subsidiaries (which is a form of intra-group financing). As a result, VIVAT's business, revenues, results, financial condition and prospects are substantially dependent on the trading performance of its consolidated subsidiaries. VIVAT's ability to pay amounts due on the Notes will depend upon the level of distributions, interest payments and loan repayments, if any, received from VIVAT's operating subsidiaries, any amounts received on asset disposals and the level of cash balances. The ability of VIVAT's subsidiaries to make such distributions and other payments depends on their earnings and

solvency position and may be subject to regulatory limitations as set out in the risk factor "*Additional requirements for Dutch insurers to repay capital or to pay out distributions from reserves*" above and to other legal and regulatory limitations.

As a holder of equity and subordinated debt in its subsidiaries, VIVAT's right to receive assets upon their liquidation or reorganisation will be subordinated to the claims of creditors of its subsidiaries. To the extent that VIVAT is recognised as a creditor of such subsidiaries, VIVAT's claims may still be subordinated to any security interest in, or other lien on, their assets and to any of their debt or other obligations that are senior to VIVAT's claims.

Risks Related to the Notes

General risks relating to the Notes

Independent review and advice

Each prospective investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

Each prospective investor should consult its own advisers as to legal, tax and related aspects of an investment in the Notes. A prospective investor may not rely on the Issuer or the Joint Lead Managers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Memorandum or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of financial markets and with the regulatory framework applicable to the Issuer;
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and
- (f) consult its legal advisers in relation to possible legal or fiscal risks that may be associated with any investment in the Notes.

The Notes are complex financial instruments. Sophisticated institutional investors generally purchase complex financial instruments as part of a wider financial structure rather than as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Legality of purchase

None of the Issuer, the Joint Lead Managers or any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

The trading market for the Notes may be volatile and may be adversely impacted by many events

The market value of the Notes will be affected by the creditworthiness of the Issuer and a number of additional factors. The market for the Notes may be influenced by economic and market conditions, political events in the Netherlands or elsewhere and, to varying degrees, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no assurance that events in the Netherlands, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Notes or that economic and market conditions will not have any other adverse effect. The price at which a Noteholder will be able to sell the Notes may be at a discount, which could be substantial, from the issue price or the purchase price paid by such Noteholder.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in EUR. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than EUR. These include the risk that exchange rates may significantly change (including changes due to devaluation of EUR or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the EUR would decrease (a) the Investor's Currency-equivalent yield on the Notes, (b) the Investor's Currency equivalent value of the principal payable on the Notes and (c) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Noteholders may not receive and may not be able to trade Notes in definitive form

It is possible that the Notes may be traded in amounts that are not integral multiples of EUR 200,000. In such a case, a Noteholder who, as a result of trading such amounts, holds an amount which is less than EUR 200,000 in its account with the relevant clearing system in case Notes in definitive form are issued may not receive a Note in definitive form in respect of such holding (should Notes in definitive form be issued) and may need to purchase a principal amount of Notes such that its holding amounts to at least EUR 200,000. If Notes in definitive form are issued, Noteholders should be aware that Notes in definitive form which have a denomination that is not an integral multiple of EUR 200,000 may be illiquid and difficult to trade.

Interest rate risks

As a result of the Notes bearing interest at a fixed rate from (and including) the Issue Date, to (but excluding) the First Call Date, investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

Following the First Call Date, interest on the Notes will be calculated on each Reset Date by the Calculation Agent as the sum of the applicable 5 Year Mid-Swap Rate in relation to that Reset Period,

plus the Margin, converted to a semi-annual rate in accordance with market convention (rounded to three decimal places with 0.0005 rounded upwards). The Interest Rate for such Reset Period will be determined the second Business Day before each Reset Date and as such is not pre-defined at the date of issue of the Notes. The Interest Rate in relation to a relevant Interest Period may be different from the initial Interest Rate or from an Interest Rate applicable to a previous Interest Period and may adversely affect the yield of the Notes.

Credit ratings

Credit ratings are expected to be assigned to the Notes by Fitch (see cover page of this Offering Memorandum for more information). Other independent credit rating agencies could decide to assign credit ratings to the Notes and such credit ratings may be higher than, the same as or lower than the credit rating provided by Fitch. The rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed herein, and other factors that may affect the value of the Notes. A rating is not a recommendation to buy, sell or hold Notes and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant rating agency. A revision, suspension or withdrawal of a rating may adversely affect the market price of the Notes.

Credit ratings do not imply that interest will be paid

A credit rating is not a statement as to the likelihood or otherwise of cancellation of interest on the Notes or of the likelihood of a Trigger Event occurring. Noteholders may have a greater risk of cancellation of interest payments than persons holding other Notes with similar credit ratings but no, or more limited, loss absorption provisions.

An active trading market for the Notes may not develop

The Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have an adverse effect on the market value of the Notes. Although application has been made for listing particulars to be approved by the Irish Stock Exchange and for the notes to be admitted to the Official List of the Irish Stock Exchange and admitted to trading on its Global Exchange Market, there is no assurance that such application will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes. The Issuer is entitled, under certain circumstances, to buy the Notes, which shall then be cancelled or caused to be cancelled, and to issue further Notes. Such transactions may favourably or adversely affect the price development of the Notes. If additional and competing products are introduced in the markets, this may adversely affect the value of the Notes.

Potential Conflicts of Interest

The Joint Lead Managers and their respective affiliates have engaged, and/or may in the future engage, in investment banking, commercial banking and other financial advisory and commercial dealings with the Issuer and its affiliates and in relation to notes issued by any entity of the Group. They have or may (a) engage in investment banking, trading or hedging activities including in activities that may include prime brokerage business, financing transactions or entry into derivative transactions, (b) act as underwriters in connection with offering of shares or other notes issued by any entity of the Group or (c) act as financial advisers to the Issuer or other companies of the Group. In the context of these transactions, some of the Joint Lead Managers have or may hold shares or other notes issued by entities of the Group. Where applicable, they have or will receive customary fees and commissions for these transactions.

Modification and waivers

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. The Conditions also provide that, subject to obtaining Prior Approval of the Relevant Supervisory Authority, the Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of, or any failure to comply with, the Agency Agreement if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders. The Agency Agreement or these Conditions may be amended by the Issuer and the Fiscal Agent, without the consent of any Paying Agent, Calculation Agent or Noteholder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein and which does not adversely affect the interests of the Noteholders.

Exchange or Variation of the terms of the Notes upon the occurrence of a Regulatory Event, Alignment Event or a Rating Methodology Event

Subject to, among other things, prior approval of the Relevant Supervisory Authority, if a Regulatory Event, Alignment Event or a Rating Methodology Event has occurred and is continuing, then the Issuer may, at its option and without any consent or approval of the Noteholders, elect at any time to vary the terms of the Notes so that the relevant event no longer exists after such modification. Whilst the modified Notes must have terms not materially less favourable to Noteholders than the terms of the Notes, there can be no assurance that, due to the particular circumstances of each Noteholder, such modified Notes will be as favourable to each Noteholder in all respects or that, if it were entitled to do so, a particular investor would make the same determination as the Issuer as to whether the terms of the modified Notes are not materially less favourable to Noteholders than the terms of the Notes.

State aid

The European Commission may investigate tax arrangements by EU Members States to determine whether these qualify as unauthorised state aid, granted to an individual undertaking or to a selective group of undertakings. In 2015, the European Commission raised questions about the fiscal treatment of contingent convertibles in the Netherlands. A discussion started on whether the benefits resulting from the deductibility for Dutch corporate income tax purposes of the compensation due on instruments as meant in article 94(1) of the Directive 2009/138/EC and article 71 of the EU Regulation (EU) No 2015/35, commonly referred to as RT1 instruments, issued by financial institutions such as the VIVAT Group may constitute unauthorised state aid. The Dutch government responded that in their opinion this treatment does not constitute state aid, since there is no tax advantage compared to the situation where these benefits would not have been deductible. Since then, no further public information regarding this subject has been published by the Dutch authorities. The VIVAT Group believes that the tax deduction in the Netherlands must be regarded in connection with, among other things, the economic burden resulting from increased capital requirements as a result of which, in aggregate, the tax deduction does not grant a selective advantage to financial institutions when comparing them with other undertakings that do not have the burden of these capital requirements. If the benefits resulting from this tax deduction were to be qualified as unauthorised state aid, these benefits may have to be recovered from the VIVAT Group by the Dutch State, including interest, and the tax benefit associated with this tax deduction would have to be denied going forward. A determination that deduction of interest payments on the Notes is inconsistent with European law will not give rise to a Tax Deductibility Event and would therefore not give the Issuer the right to redeem the Notes. However, if such determination were made with respect to the Notes, the amounts payable to the Dutch State could be substantial and may cause the Issuer to redeem the Notes at the earliest possible date. If following such determination the Netherlands would change the law to eliminate, in whole or in part, the tax deductibility of payments under the Notes, this could give rise to a Tax Deductibility Event and would give the Issuer the right to redeem the Notes.

Change of law

The Conditions are based on Dutch law in effect as at the date of issue of the Notes. No assurance can be given as to the impact of any possible judicial decision or change to Dutch law or administrative practice after the date of issue of the Notes.

Many of the defined terms in the Conditions of the Notes depend on the final interpretation and implementation of Solvency II. Further, the Relevant Supervisory Authority may interpret the Applicable Regulations, or exercise discretion accorded to the regulator under the Applicable Regulations in a different manner than expected. The manner in which many of the concepts and requirements under Solvency II will be applied to the Group over time remains uncertain.

Future regulatory proposals may also impose further restrictions on the Issuer's ability to make payments on the Notes. These issues and other possible issues of interpretation make it difficult to determine whether a Regulatory Event will occur or whether scheduled interest payments will be made on the Notes. This uncertainty and the resulting complexity may adversely impact the trading price and the liquidity of the Notes.

Taxation

Payments of interest on the Notes, or profits realised by the Noteholder upon the disposal or repayment of the Notes, may be subject to taxation or documentary charges or duties in accordance with the laws and practices of the jurisdiction where the Notes are transferred or in other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes. Potential investors are advised not to rely upon the tax description contained in this Offering Memorandum but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, disposal and redemption of the Notes. Only these advisers are in a position to duly consider the specific situation of each potential investor. This investment consideration has to be read in connection with the taxation sections of this Offering Memorandum.

A Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes.

Withholding tax

The absence of any Dutch withholding tax on payments in respect of the Notes, as referred to in the paragraph "Withholding Tax" in the Taxation chapter, is based on a statement made by the Dutch Deputy Secretary of Finance in his capacity as legislator in the explanation to article 29a CITA, the provision that provides for a corporate income tax deduction for Tier-1 instruments. It is uncertain whether the statement provides a statutory basis for the absence of Dutch withholding tax on payments of interest in respect of the Notes under the Dividend Withholding Tax Act 1965. Subsequent to the enactment of article 29a CITA, the Dutch Secretary of Finance and the Dutch Deputy Secretary of Finance have confirmed the absence of Dutch withholding tax on payments under Tier-1 instruments in two separate instances in their capacity as administrator of the tax law. The VIVAT Group believes that to the extent the statements made in connection with the introduction of article 29a CITA do not provide a statutory basis for the absence of withholding on payments in respect of the Notes, the subsequent statements made by the Dutch Secretary of Finance and the Dutch Deputy Secretary of Finance in their capacity as administrator of the tax law can be relied upon on the basis of the concept of legitimate expectation (*opgewekt vertrouwen*). It is possible for the Dutch Deputy Secretary of Finance to change his position on the absence of withholding on Tier-1 instruments by putting out a notice to that effect. If this would occur, the absence of Dutch withholding tax would be based on the statement made by him in his capacity as legislator in the

explanation to article 29a CITA of which it is uncertain whether it provides a statutory basis for the absence of Dutch withholding tax on payment in respect of the Notes under the Dividend Withholding Tax Act 1965. To what extent the exemption from Dutch withholding tax on payments of interest on the notes would be affected will depend on the content of the notice and the application of the principles of good governance (*algemene beginselen van behoorlijk bestuur*) that would govern the effects of such a change in position. If, following such notice, interest on the notes will be subject to withholding tax imposed by the Netherlands, the Issuer may redeem the notes pursuant to Condition 6.7.

Proposed financial transaction tax (FTT)

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the "**Participating Member States**"). In March 2016, Estonia indicated its withdrawal from the enhanced cooperation.

The Commission's Proposal has very broad scope and, if introduced, could apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes provided that at least one party to the transaction is established or deemed established in a Participating Member State and that there is a financial institution established or deemed established in a Participating Member State which is party to the transaction, acting either for its own account or for the account of another person, or acting in the name of a party to the transaction. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

However, the Commission's Proposal remains subject to negotiation between the Participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and/or other Participating Member States may decide to withdraw.

Prospective investors should consult their own tax advisers in relation to the consequences of the FTT associated with purchasing and disposing of the Notes.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (a) the Notes are legal investments for it, (b) Notes can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase or pledging of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

The market value of the Notes may be influenced by factors beyond the Issuer's control

Many factors, most of which are beyond the Issuer's control, will influence the market value of the Notes and the price, if any, at which dealers may be willing to purchase or sell the Notes in the secondary market. Such factors include any credit ratings assigned to the Issuer and the Notes (and any subsequent downgrading thereof), the creditworthiness of the Issuer and in particular the Issuer and the Group's compliance with the Solvency Capital Requirement and the Minimum Capital Requirement, supply and

demand for the Notes, the Interest Rate applicable to the Notes from time to time, exchange rates and macro-economic, political, regulatory or judicial events which affect the Issuer or the markets in which it operates

Risks relating to the structure of the Notes

The Notes are deeply subordinated obligations of the Issuer

The Issuer's obligations under the Notes will constitute unsecured and subordinated obligations of the Issuer.

If any of the following events occur: (i) insolvency (*faillissement*) of the Issuer, (ii) moratorium (*surseance van betaling* or *noodregeling*, as applicable) being applied to the Issuer, (iii) dissolution (*ontbinding*) or (iv) liquidation (*vereffening*) of the Issuer (being an **Issuer Winding-up**), the payment obligations of the Issuer under the Notes shall rank junior to the rights and claims of creditors in respect of Senior Obligations of the Issuer (and payment to Noteholders may only be made and any set-off by Noteholders shall be excluded until all obligations of the Issuer in respect of such Senior Obligations have been satisfied) but, as the case may be, *pari passu* with claims in respect of Parity Obligations and senior to claims in respect of any Junior Obligations.

Although the Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a significant risk that an investor in the Notes will lose all or some of its investment should the Issuer become insolvent.

The Notes have no scheduled maturity and Noteholders only have a limited ability to exit their investment in Notes

The Notes are perpetual securities and have no fixed maturity date or fixed redemption date and are not redeemable at the option or election of the Noteholders. Although the Issuer may, under certain circumstances described in Condition 6 (Redemption and Purchase), redeem the Notes, the Issuer is under no obligation to do so and Noteholders have no right to call for the Issuer to exercise any right it may have to redeem the Notes.

Therefore, Noteholders have no ability to exit their investment, except (i) in the event of the Issuer exercising its right to redeem the Notes in accordance with the Conditions, (ii) by selling their Notes, or (iii) upon an Issuer Winding-up, in which limited circumstances the Noteholders may receive some of any resulting liquidation proceeds following payment being made in full to all senior and more senior subordinated creditors. The proceeds, if any, realised in an Issuer Winding-up may be substantially less than the Prevailing Principal Amount of the Notes or the price paid by an investor for the Notes. See also "An active trading market for the Notes may not develop" above.

There are no events of default under the Notes

The Terms and Conditions of the Notes do not provide for events of default allowing acceleration of the Notes if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Notes, including the payment of any interest, investors will not have the right of acceleration of principal. Upon a payment default, the sole remedy available to Noteholders for recovery of amounts owing in respect of any payment of principal or interest on the Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

Payments by the Issuer are conditional upon the Issuer being solvent

All payments in respect of or arising from (including any damages for breach of any obligations under) the Notes shall be conditional upon the Issuer being solvent at the time for payment by the Issuer and no amount shall be payable by the Issuer in respect of or arising from (including any damages for breach of any obligations under) the Notes except to the extent that the Issuer could make such payment and still be solvent immediately thereafter. For these purposes, the Issuer will be solvent if (i) it is able to pay its debts owed under its Senior Obligations if they fall due and (ii) its Assets exceed its Liabilities. Any payment of interest that would have been due but for the inability to comply with the requirement for the Issuer being Solvent, shall be cancelled pursuant Condition 4.3(b) (Mandatory Interest Cancellation).

The Issuer may at its sole and absolute discretion cancel Interest Payments, in whole or in part, at any time. Cancelled Interest Payments shall not be due and shall not accumulate or be payable at any time thereafter and investors shall have no rights thereto

Interest on the Notes is due and payable on each Interest Payment Date subject to Condition 4.3(b) (Mandatory Interest Cancellation). In addition the Issuer may at its sole and absolute discretion at any time elect to cancel any Interest Payment, in whole or in part, which would otherwise be payable on any Interest Payment Date. At the time of publication of this Offering Memorandum, it is the intention of the Executive Board to consider the relative ranking of the ordinary shares of the company and any restricted Tier 1 securities in issue (including the Notes) in the capital structure whenever exercising its discretion as to whether or not to declare dividends or pay interest, in line with the capital adequacy policy applicable at that time. The Executive Board of the Issuer may depart from this approach at its sole discretion.

Any Interest Payment (or relevant part thereof) which is cancelled shall not accumulate and shall not become due and payable at any time thereafter. In the event of such cancellation, Noteholders will have no rights in respect of the Interest Payment (or relevant part thereof) which is cancelled. In addition, cancellation or non-payment of Interest in accordance with the Conditions shall not constitute a default or event of default under the Notes for any purpose and does not give Noteholders any right to take any enforcement action under the Notes.

Any actual or perceived increased likelihood of cancellation of any Interest Payment may affect the market value of an investment in the Notes.

In addition to the Issuer's right to cancel Interest Payments, in whole or in part, at any time, the Conditions require that Interest Payments must be cancelled under certain circumstances. Cancelled Interest Payments shall not be due and shall not accumulate or be payable at any time thereafter and investors shall have no rights thereto

The Issuer must cancel any Interest Payment on the Notes pursuant to Condition 4.3(b) (Mandatory Interest Cancellation) in the event that, inter alia, the Issuer is not or would not be Solvent if such Interest Payment would be made, the Issuer cannot make the payment in compliance with the Solvency Capital Requirement or the Minimum Capital Requirement, the Relevant Supervisory Authority has notified the Issuer in view of the financial and/or solvency condition of the Issuer on a consolidated basis, that in accordance with the Applicable Regulations at such time the Issuer must take specified action in relation to deferral of payments of principal and/or interest under the Notes, or where the Interest Payment would, together with any Additional Amounts payable with respect thereto, exceed the amount of the Issuer's Distributable Items as at the time for payment.

Any Interest Payment which is cancelled shall not accumulate and shall not become due and payable at any time thereafter. In the event of such cancellation, Noteholders will have no rights in respect of the Interest Payment which is cancelled. In addition, cancellation or non-payment of Interest in accordance

with the Conditions shall not constitute a default or event of default on the part of the Issuer for any purpose.

The cancellation of any Interest Payment may affect the market value of an investment in the Notes.

Restricted remedy for non-payment when due

Any failure by the Issuer to pay interest when it is scheduled to be paid (or at all) or principal when due in respect of the Notes shall not constitute an event of default and does not give Noteholders any right to demand repayment of the principal amount of the Notes. If an Issuer Winding-up occurs, any Noteholder may declare each Note held by that Noteholder to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Prevaling Principal Amount and any accrued but unpaid interest from the previous Interest Payment Date up to (but excluding) the date of repayment. No other remedy against the Issuer shall be available to the Noteholders, whether for recovery of amounts owing in respect of the Notes or in respect of any breach by the Issuer of any of its obligations under or in respect of the Notes.

Notes may be traded with accrued interest which may subsequently be subject to cancellation

The Notes may trade, and/or the prices for the Notes may appear, in trading systems with accrued interest. Purchasers of Notes in the secondary market may pay a price which reflects such accrued interest on purchase of the Notes. If an Interest Payment is cancelled (in whole or in part), a purchaser of Notes in the secondary market will not be entitled to the accrued interest (or part thereof) reflected in the purchase price of the Notes.

As a holding company, the level of the Issuer's Distributable Items is affected by a number of factors, and insufficient Distributable Items will restrict the Issuer's ability to make interest payments on the Notes

As a holding company, the level of the Issuer's Distributable Items is affected by a number of factors, principally its ability to receive funds, directly or indirectly, from its operating subsidiaries in a manner which creates Issuer's Distributable Items. Consequently, the future Issuer's Distributable Items, and therefore the Issuer's ability to make Interest Payments on the Notes, are a function of the existing Issuer's Distributable Items, future Group profitability and performance and the ability to distribute or dividend profits from the Issuer's operating subsidiaries up the Group structure to the Issuer. In addition, the Issuer's Distributable Items will also be reduced by the servicing of other debt and equity instruments.

The ability of the Issuer's operating subsidiaries to pay dividends and the Issuer's ability to receive distributions and other payments from the Issuer's investments in other entities is subject to applicable local laws and other restrictions, including their respective regulatory, capital and leverage requirements, statutory reserves, financial and operating performance and applicable tax laws, and any changes thereto. These laws and restrictions could limit the payment of dividends, distributions and other payments to the Issuer by the Issuer's operating subsidiaries, which could in time restrict the Issuer's ability to fund other operations or to maintain or increase its Issuer's Distributable Items.

No restriction on dividends

The Terms and Conditions of the Notes do not contain any restriction on the ability of the Issuer to pay dividends on or repurchase its ordinary shares. This could decrease the profits that are available for distribution and therefore increase the likelihood of a cancellation of payments of interest.

The principal amount of the Notes may be reduced to absorb losses and Noteholders may lose all or some of their investment as a result of a Write-Down

If a Trigger Event has occurred then the Issuer shall write-down each Note by reducing the Prevaling

Principal Amount of such Note (in whole or in part, as applicable) by the Write-Down Amount on the Write-Down Date in accordance with the Write-Down procedure as further described in the "Terms and Conditions of the Notes – Principal Loss Absorption". Investors should note that, in the case of any such reduction to the Prevailing Principal Amount of each Note pursuant to the "Terms and Conditions of the Notes – Principal Loss Absorption", the Issuer's determination of the relevant amount of such reduction shall be binding on the Noteholders.

The Issuer's current and future outstanding junior securities might not include Write-Down or similar features with triggers comparable to those of the Notes. As a result, it is possible that the Notes will be subject to a Write-Down, while other junior securities remain outstanding and continue to receive payments.

The Issuer may determine that a Trigger Event has occurred on more than one occasion and each Note may be Written-Down on more than one occasion, it being specified that the Prevailing Principal Amount of a Note can be reduced to zero. Investors should be aware that, upon the occurrence of a Trigger Event, the full principal amount of each Note may be reduced to zero on a permanent basis and the Notes shall be cancelled.

Further, if the Prevailing Principal Amount of the Notes has been Written-Down, interest shall accrue on such Written-Down Prevailing Principal Amount in accordance with the Terms and Conditions as from the relevant Write-Down Date and the Notes will be redeemable for tax reasons, or upon a Rating Methodology Event or a Regulatory Event or as a result of the Issuer exercising the Clean-up Call at the Prevailing Principal Amount, which will be lower than the Initial Principal Amount.

Subject to certain conditions, the Issuer may redeem the Notes at the Issuer's option on certain dates
Subject, inter alia, to the Issuer being Solvent (as defined), to compliance with the Solvency Capital Requirement and Minimum Capital Requirement and to having obtained the Prior Approval of the Relevant Supervisory Authority, the Issuer may redeem all (but not some only) of the Notes at their Prevailing Principal Amount together with (to the extent that such interest has not been cancelled in accordance with the Conditions) any accrued and unpaid interest to (but excluding) the date of redemption. Such redemption may occur (i) on the First Call Date or any Interest Payment Date thereafter, (ii) in the event of certain changes in the tax treatment of the Notes or payments thereunder due to a Tax Deductibility Event or a Gross-Up Event, (iii) following the occurrence of (or there will occur within six months) a Regulatory Event or a Rating Methodology Event or (iv) as a result of the Issuer exercising the Clean-up Call.

The Notes may therefore be subject to early redemption if interest ceases to be fully deductible or withholding taxes were to apply as a result of a change in Dutch tax law or regulations or in their application or interpretation by the Dutch tax authorities.

The Applicable Regulations as at the date of this Offering Memorandum provide that the Relevant Supervisory Authority should not permit the redemption of restricted Tier 1 Own Funds in the first five years of their issue other than in relation to unforeseen events such as an unforeseen change in the Applicable Regulations. On 28 February 2018, "EIOPA's Second set of advice to the European Commission on specific items in the Solvency II Delegated Regulation" was published by EIOPA. While the publication of such advice demonstrates that there may be fundamental changes or additions to the Applicable Regulations in the future it is not possible to foresee what those changes might be and whether they would change the requirements applicable to the Notes. The Issuer may therefore have a redemption right following the Issue Date, including as a result of any further work done by EIOPA stemming from the

EIOPA advice or a change in its status or group structure.

The Issuer may decide to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. During any period when the Issuer may elect or may be perceived to be more likely to elect to redeem the Notes, the market value of the Notes generally will not rise above the price at which they can be redeemed. This may also be true prior to any redemption period.

An investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

The SCR Ratio and Minimum Capital Requirement ratio will be affected by the Issuer's business decisions and, in making such decisions, the Issuer's interests may not be aligned with those of the Noteholders

The SCR Ratio and Minimum Capital Requirement ratio could be affected by a number of factors. They will also depend on the Group's decisions relating to its businesses and operations, as well as the management of its capital position. The Issuer will have no obligation to consider the interests of the Noteholders in connection with the strategic decisions of the Group, including in respect of capital management. Noteholders will not have any claim against the Issuer or any other member of the Group relating to decisions that affect the business and operations of the Group, including its capital position, regardless of whether they result in the occurrence of a Trigger Event. Such decisions could cause Noteholders to lose all or part of the value of their investment in the Notes.

The occurrence of the Trigger Event may depend on factors outside of the Issuer's control

A Trigger Event shall occur if the Issuer determines that any of the following has occurred: (a) the Solvency Capital Requirement of the Issuer is equal to or less than 75 per cent. of the amount of eligible Own Fund Items of the Issuer to cover the Solvency Capital Requirement; or (b) the Minimum Capital Requirement of the Issuer is equal to or less than the amount of eligible Own Fund Items of the Issuer to cover the Minimum Capital Requirement; or (c) the Solvency Capital Requirement of the Issuer has been equal to or less than the amount of eligible Own Fund Items of the Issuer to cover the Solvency Capital Requirement for a continuous period of three months (commencing on the date on which non-compliance with such Solvency Capital Requirement was first observed).

The occurrence of a Trigger Event and, therefore, Write-Down is to some extent unpredictable and depends on a number of factors, some of which may be outside of the Issuer's control, including actions that the Issuer is required to take at the direction of the Relevant Supervisory Authority and regulatory changes. Accordingly, the trading behaviour of the Notes may not necessarily follow the trading behaviour of other types of subordinated securities, including the Issuer's other subordinated debt securities. Any indication that the Issuer or the Group may be at risk of failing to meet its Solvency Capital Requirement or Minimum Capital Requirement may have an adverse effect on the market price and liquidity of the Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with proceeds sufficient to provide a yield comparable to other types of subordinated securities, including the Issuer's other subordinated debt securities.

Redemption or purchase of the Notes must, under certain circumstances, be deferred

Notwithstanding that a notice of redemption has been delivered to Noteholders, the Issuer must defer redemption of the Notes on any date set for redemption of the Notes pursuant to Condition 6 (Redemption and Purchase) in the event that, *inter alia*, no Prior Approval of the Relevant Supervisory Authority has been obtained, the Issuer is not Solvent prior to the relevant redemption or purchase date or the Issuer cannot make the redemption payments in compliance with the Solvency Capital Requirement, the

Minimum Capital Requirement or an Insolvent Insurer Liquidation or any other requirements or pre-conditions to which the Issuer is otherwise subject and which may be imposed by the Relevant Supervisory Authority have not been complied with following the proposed redemption or purchase (and will not continue to be complied with following the proposed redemption or purchase) has occurred and is continuing.

The deferral of redemption of the Notes does not constitute a default under the Notes for any purpose and does not give Noteholders any right to take any enforcement action under the Notes. Where redemption of the Notes is deferred, the Notes will be redeemed by the Issuer on the earlier of (a) the date falling 10 Business Days after the date on which the Redemption and Purchase Conditions are met or otherwise waived pursuant to Condition 6.3 (Waiver of Redemption and/or Purchase Condition relating to Solvency Capital Requirement by Relevant Supervisory Authority), (b) the date falling 10 Business Days after the date on which the Relevant Supervisory Authority has agreed to the repayment, redemption purchase, as applicable, of the Notes or (c) the date on which an Issuer Winding-up occurs.

Any actual or anticipated deferral of redemption of the Notes will likely have an adverse effect on the market price of the Notes. In addition, as a result of the redemption deferral provision of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities without such deferral feature, including dated securities where redemption on the scheduled maturity date cannot be deferred, and the Notes may accordingly be more sensitive generally to adverse changes in the Issuer's financial condition.

Limitation on gross-up obligations under the Notes

The Issuer's obligation, if any, to pay Additional Amounts in respect of any withholding or deduction in respect of taxes under the terms of the Notes applies only to payments of interest due and paid under the Notes and not to payments of principal.

As such, the Issuer would not be required to pay any Additional Amounts under the terms of the Notes to the extent any withholding or deduction applied to payments of principal. Accordingly, if any such withholding or deduction were to apply to any payments of principal under the Notes, Noteholders may receive less than the full amount due under the Notes, and the market value of the Notes may be adversely affected.

No limitation on issuing or guaranteeing debt ranking senior or "pari passu" with the Notes

There is no restriction in the Notes on the amount of debt which the Issuer or members of the Issuer's Group may issue or guarantee. In addition, the Notes do not contain a negative pledge preventing the Issuer from issuing debt which is secured on assets or revenues of the Group. The Issuer and its subsidiaries may therefore incur additional indebtedness or grant guarantees in respect of indebtedness of third parties, including secured indebtedness and/or indebtedness or guarantees that rank *pari passu* or senior to the obligations under and in connection with the Notes. If the Issuer were liquidated (whether voluntarily or not), secured claims and claims of creditors ranking senior to Noteholders would be paid out in priority to Noteholders claims and Noteholders could thus suffer loss of their entire investment.

Restrictions on right to set-off

Subject to applicable law, no Noteholder who is indebted to the Issuer will be entitled to exercise any right of set-off or counterclaim against moneys owed to the Issuer in respect of such indebtedness.

Changes to Solvency II may increase the risk of the occurrence of a cancellation of Interest Payments, the deferral or redemption or purchase of the Notes by the Issuer or the occurrence of a Regulatory Event

Solvency II requirements adopted in the Netherlands, whether as a result of further changes to Solvency II, such as those described above under “*Risk relating to Solvency II or higher solvency levels imposed by DNB*”, or changes to the way in which the Relevant Supervisory Authority interprets and applies these requirements to the Dutch insurance industry, may change. Any such changes, either individually and/or in aggregate, may lead to further unexpected requirements in relation to the calculation of the Solvency Capital Requirement of the Group, and such changes may make the Group’s regulatory capital requirements more onerous. Such changes that may occur in the application of Solvency II in the Netherlands subsequent to the date of this Offering Memorandum and/or any subsequent changes to such rules and other variables may individually and/or in aggregate negatively affect the required characteristics of Tier 1 Own Funds or the calculation of the Solvency Capital Requirement or the Minimum Capital Requirement of the Group and thus increase the risk of cancellation of Interest Payments and/or deferral of the repayment of the Prevailing Principal Amount of the Notes or, conversely, increase the risk of the occurrence of a Regulatory Event and subsequent redemption of the Notes by the Issuer or the occurrence of a Trigger Event and subsequent Write-Down of the Notes by the Issuer, as a result of which a Noteholder could lose all or part of the value of its investment in the Notes.

KEY FEATURES OF THE NOTES

The following overview refers to certain provisions of the Terms and Conditions and is qualified by the more detailed information contained elsewhere in this Offering Memorandum. Capitalised terms which are defined in the Terms and Conditions have the same meaning when used in this overview. References to numbered Conditions are to the Terms and Conditions as set out under *Terms and Conditions of the Notes*.

Issuer:	VIVAT N.V.
The Notes:	EUR 300,000,000 Perpetual Restricted Tier 1 Notes (the Notes).
Issue Date:	19 June 2018
Form of Notes:	The Notes will be issued in bearer form and shall have denominations of EUR 200,000 and integral multiples of EUR 1,000 in excess thereof, up to and including EUR 399,000. The Notes will initially be represented by a temporary global note, without interest coupons, which will be deposited on or about the Issue Date with a common safekeeper for Euroclear and Clearstream, Luxembourg).
Status of the Notes:	<p>The Notes will constitute unsecured and subordinated obligations of the Issuer and will rank <i>pari passu</i> and without any preference among themselves.</p> <p>The rights and claims of the Noteholders against the Issuer are subordinated as described in Condition 3.2 (<i>Subordination</i>).</p> <p>Subject to applicable law, no Noteholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Notes and each Noteholder shall, by virtue of his holding of any Note, be deemed to have waived all such rights of set-off, compensation or retention.</p>
Negative Pledge:	None
Events of Default:	There are no events of default in respect of the Notes. However, each Note shall become immediately due and payable at its Prevailing Principal Amount, together with accrued interest thereon, if any, to the date of payment in the case of the liquidation of the Issuer. Liquidation may occur as a result of the winding-up of the Issuer (<i>ontbinding en vereffening</i>), bankruptcy (<i>faillissement</i>) of the Issuer, the suspension of payments (<i>surseance van betaling</i>) being applied to the Issuer or emergency regulations (<i>noodregeling</i>) in either case if that constitutes a liquidation.

Interest Rate:	The Notes will bear interest at a rate per annum, equal to (subject as described in the Conditions) (i) from (and including) the Issue Date up to (but excluding the First Call Date) 7.00 per cent. and (ii) thereafter a fixed rate of interest which will be reset on the First Call Date and on each Reset Date thereafter as the sum of the applicable 5 Year Mid-Swap Rate in relation to that Reset Period, plus the Margin (being 6.463 per cent. per annum), converted to a semi-annual rate in accordance with market convention (rounded to three decimal places with 0.0005 rounded upwards), payable semi-annually in arrear on each Interest Payment Date.
Margin:	6.463 per cent. per annum.
Reset Dates:	The First Call Date, the fifth (5 th) anniversary thereof and each subsequent fifth (5 th) anniversary thereof.
Interest Rate Period:	Each period beginning on (and including) a Reset Date and ending on (but excluding) the next succeeding Reset Date.
Interest Payment Dates:	19 June and 19 December in each year, commencing on 19 December 2018.
Cancellation of Interest Payments:	<p>If the Issuer does not make an Interest Payment (or part thereof) on the relevant Interest Payment Date, such non-payment shall evidence:</p> <ul style="list-style-type: none"> (i) the cancellation of such Interest Payment in accordance with the provisions described under "Mandatory Cancellation of Interest Payments" below; or (ii) the Issuer's exercise of its discretion otherwise to cancel such Interest Payment (or relevant part thereof) as described under "Optional Cancellation of Interest Payments" below. <p>Any Interest Payment which is not paid on any Interest Payment Date shall not accumulate or be payable at any time thereafter, and such non-payment will not constitute a default or an event of default by the Issuer for any purpose, and the Noteholders shall have no right thereto.</p>
Mandatory Cancellation of Interest Payments:	<p>Subject to certain limited exceptions as more fully described in the Conditions, the Issuer shall be required to cancel any Interest Payment if:</p> <ul style="list-style-type: none"> (i) the Issuer is not or would not be Solvent if such Interest Payment was made on the next Interest Payment Date; or (ii) the Issuer has determined that the amount of eligible Own Fund Items of the Issuer on a consolidated

basis to cover the Solvency Capital Requirement is, or as a result of a payment would become, insufficient to cover such Solvency Capital Requirement; or

(iii) the Issuer has determined that the amount of eligible Own Fund Items of the Issuer on a consolidated basis to cover the Minimum Capital Requirement is, or as a result of a payment would become, not sufficient to cover such Minimum Capital Requirement; or

(iv) the Relevant Supervisory Authority has notified the Issuer that it has determined, in view of the financial and/or solvency condition of the Issuer on a consolidated basis, that in accordance with the Applicable Regulations at such time the Issuer must take specified action in relation to deferral of payments of principal and/or interest under the Notes; or

(v) the amount of such Interest Payment, when aggregated with any Additional Amounts payable with respect thereto, any interest payments or distributions which have been made or which are scheduled simultaneously to be paid or made on all Tier 1 Own Funds (excluding any such payments which do not reduce the Issuer's Distributable Items and any payments already accounted for in determining the Issuer's Distributable Items) since the end of the latest financial year of the Issuer and prior to, or on, such Interest Payment Date, would exceed the amount of the Issuer's Distributable Items as at the Interest Payment Date in respect of such Interest Payment.

Notwithstanding Condition 4.3(b), the Issuer shall not be required to cancel an Interest Payment where the requirement to cancel arises due to limb (ii) of the definition of Mandatory Interest Cancellation Event and the Relevant Supervisory Authority has exceptionally waived the cancellation of the Interest Payment and has confirmed to the Issuer that it is satisfied that payment of the Interest Payment would not further weaken the solvency position of the Issuer (subject to the Minimum Capital Requirement being complied with immediately following such interest payment, if made).

Issuer's Distributable Items:

With respect to and as at any Interest Payment Date, without double-counting, an amount equal to:

- (i) the retained earnings and the distributable reserves of the Issuer, calculated on an unconsolidated basis, as at the last calendar day of the then most recently ended financial year of the Issuer; plus
- (ii) the profit for the period (if any) of the Issuer, calculated on an unconsolidated basis, for the period

from the Issuer's then latest financial year end to (but excluding) such Interest Payment Date; less

- (iii) the loss for the period (if any) of the Issuer, calculated on an unconsolidated basis, for the period from the Issuer's then latest financial year end to (but excluding) such Interest Payment Date,

each as defined under national law, or in the articles of association of the Issuer.

Optional Cancellation of Interest Payments:

Interest on the Notes is due and payable on each Interest Payment Date, subject to the restrictions set out in the Conditions. In addition, the Issuer may at its sole and absolute discretion at any time elect to cancel any interest payment (or part thereof) which would otherwise be payable on any Interest Payment Date.

Write-Down upon Trigger Event:

If a Trigger Event occurs:

- (i) any interest which is accrued and unpaid up to (and including) the Write-Down Date (whether or not such interest has become due for payment) shall be automatically cancelled (it being specified that such cancellation shall not constitute a default or event of default of the Issuer for any purpose); and
- (ii) the Issuer shall promptly (and without the need for the consent of the Noteholders) write down the Notes by reducing the Prevailing Principal Amount by the Write-Down Amount (such action a **Write-Down** and **Written Down** being construed accordingly).

Any such Write-Down shall be applied in respect of each Note equally. Any such part of the Initial Principal Amount will be written down on a permanent basis and cancelled.

A Write-Down of the Notes shall not constitute a default or event of default in respect of the Notes or a breach of the Issuer's obligations or duties or a failure to perform by the Issuer in any manner whatsoever, and shall not entitle Noteholders to petition for the insolvency or dissolution of the Issuer or to take any other action.

Following a Write-Down, Noteholders will be automatically deemed to waive irrevocably their rights to receive, and no longer have any rights against the Issuer with respect to, any principal amount by which the Notes have been Written-Down.

See Condition 7 (*Principal Loss Absorption*) for further information.

Trigger Event:

A Trigger Event shall be deemed to have occurred if, at any time, at the determination of the Issuer the amount of Own Fund Items (or any equivalent terminology employed by the Applicable Regulations) of the Issuer on a consolidated basis eligible to cover:

- (i) the Solvency Capital Requirement is equal to or less than 75 per cent. of the Solvency Capital Requirement; or
- (ii) the Minimum Capital Requirement is equal to or less than the Minimum Capital Requirement; or
- (iii) the Solvency Capital Requirement of the Issuer has been equal to or less than the Solvency Capital Requirement for a continuous period of three months (commencing on the date on which non-compliance with such Solvency Capital Requirement was first observed).

Taxation:

Payments on the Notes shall be made without withholding or deduction for, or on account of, any Taxes imposed or levied by or on behalf of the Netherlands or any political subdivision thereof unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will, subject to certain exceptions set out in Condition 8 (*Taxation*), pay such additional amounts in respect of Interest Payments, but not in respect of any payments of principal, as may be necessary in order that the net payment received by each Noteholder in respect of the Notes, after the withholding or deduction shall equal the amount which would have been received in the absence of any such withholding or deduction.

No Redemption Date:

The Notes are perpetual instruments in respect of which there is no maturity or redemption date. The Issuer shall be entitled to redeem the Notes only in accordance with the provisions below, and the Noteholders shall have no right to require the Issuer to redeem the Notes in any circumstances.

Redemption at the option of the Issuer:

Provided that the Redemption and/or Purchase Conditions are met, and subject to the Prior Approval of the Relevant Supervisory Authority, the Issuer may, upon notice to Noteholders and the Fiscal Agent, at its option, redeem all (but not some only) of the Notes, on the First Call Date or any Interest Payment Date thereafter at their Prevailing Principal Amount together with (to the extent that such interest has not been cancelled in accordance with the Conditions) any accrued and unpaid interest to (but excluding) the date of redemption.

Redemption at the option of the Issuer for taxation reasons:

Subject to certain conditions, if:

(A) as a result of a Gross-Up Event which change or amendment becomes effective after the Issue Date, on the next payment of interest due in respect of the Notes the Issuer would be required to pay Additional Amounts; or

(B) as a result of a Tax Deductibility Event which becomes effective on or after the Issue Date, payments of interest payable by the Issuer in respect of the Notes would no longer be deductible in whole or in part,

and the effect of either of the foregoing cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may, upon notice to the Noteholders and the Fiscal Agent, redeem all (but not some only) of the Notes at any time at their Prevailing Principal Amount together with (to the extent that such interest has not been cancelled in accordance with the Conditions) any accrued and unpaid interest to (but excluding) the date of redemption.

Redemption for Rating Reasons:

Subject to certain conditions, if at any time a Rating Methodology Event has occurred and is continuing, or, as a result of any change in or clarification to the methodology of any Rating Agency (or in the interpretation of such methodology), a Ratings Methodology Event will occur within the forthcoming period of six months, then the Issuer may, upon notice to Noteholders and the Fiscal Agent either:

(i) redeem all (but not some only) of the Notes at any time at their Prevailing Principal Amount together with (to the extent that such interest has not been cancelled in accordance with the Conditions) any accrued and unpaid interest to (but excluding) the date of redemption; or

(ii) exchange on any Interest Payment Date all (but not some only) of the Notes for, or vary the terms of the Notes so that they become or remain Rating Agency Compliant Notes. Any such exchange or variation requires prior approval of the Relevant Supervisory Authority.

A "**Rating Methodology Event**" will be deemed to occur upon a change in, or clarification to, the methodology of any Rating Agency (or in the interpretation by the relevant Rating Agency of such methodology) on or after the Issue Date as a result of which the equity content previously assigned by such Rating Agency to the Notes is reduced when compared to the equity content assigned by such Rating Agency at or around the Issue

Date or, from the date on which equity credit is first assigned should such Rating Agency only assess the instrument at a later date.

Redemption for Regulatory Reasons:

Subject to certain conditions, if at any time a Regulatory Event has occurred and is continuing, or, as a result of any change in, or amendment to, or any change in the application or official interpretation of, any applicable law, regulation or other official publication, a Regulatory Event will occur within the forthcoming period of six months, then the Issuer may, upon notice to Noteholders and the Fiscal Agent either:

- (i) redeem all (but not some only) of the Notes at any time at their Prevailing Principal Amount together with (to the extent that such interest has not been cancelled in accordance with the Conditions) any accrued and unpaid interest to (but excluding) the date of redemption; or
- (ii) exchange on any Interest Payment Date all (but not some only) of the Notes for, or vary the terms of the Notes so that in either case the aggregate nominal amount of the Exchanged Notes or Varied Notes (as the case may be) constitutes Qualifying Tier 1 Notes of the Issuer.

A "**Regulatory Event**" means that, on or after the Issue Date, (i) the Issuer and/or the Group is subject to regulatory supervision by the Relevant Supervisory Authority and (ii) as a result of any replacement of or change to the Applicable Regulations (or change to the interpretation thereof by any court, the Relevant Supervisory Authority or any other authority entitled to do so) at any time whilst any of the Notes are outstanding the whole or any part of the proceeds of such Notes can no longer be treated as Tier 1 Own Funds of the Issuer or the Group, whether on a solo, group or consolidated basis (in each case, as applicable), except where such non-qualification is only as a result of any applicable limitation on the amount of such capital.

Clean-up Redemption:

Provided that the Redemption and/or Purchase Conditions are met, and subject to the Prior Approval of the Relevant Supervisory Authority, the Issuer may, upon notice to Noteholders and the Fiscal Agent, at any time after the Issue Date redeem all (but not some only) of the Notes at any time at their Prevailing Principal Amount together with (to the extent that such interest has not been cancelled in accordance with the Conditions) any accrued and unpaid interest to (but excluding) the date fixed for redemption if 80% (eighty per cent.) or more of the Notes originally issued (including any further issues pursuant to Condition 13 (*Further Issues*)) has been

purchased and cancelled at the time of such election (a **Clean-up Call**).

Conditions to Redemption and/or Purchase:

Subject to certain conditions, the Notes may not be redeemed pursuant to any of the optional redemption provisions, exchanged or purchased by the Issuer or any of its affiliates if:

- (a) the Issuer is in compliance with all Applicable Regulations, including but not limited to the situation that no breach of the Solvency Capital Requirement or Minimum Capital Requirement has occurred and is continuing on the relevant redemption or purchase date, or such redemption or purchase would itself not cause eligible 'own fund-items' (or any equivalent terminology employed by the Applicable Regulations) of the Issuer on a consolidated basis to become insufficient to cover the Solvency Capital Requirement or Minimum Capital Requirement;
- (b) the Issuer is Solvent prior to the relevant redemption or purchase date and as result of such redemption or purchase the Solvent position of the Issuer would not change;
- (c) no Insolvent Insurer Liquidation has occurred and is continuing on the relevant redemption or purchase date; and
- (d) subject to any additional or alternative other requirements or pre-conditions required being satisfied (and being satisfied following the proposed redemption or purchase),

and is each continuing on the relevant redemption or purchase date (the conditions set out in Condition 6.2(i) to (iv) (Conditions to Redemption and/or Purchase) (inclusive) being the **Redemption and/or Purchase Conditions**).

In the case of an optional redemption or any purchase of the Notes by the Issuer referred to in Condition 6 (*Redemption and Purchase*):

- (i) that is within five years from the Issue Date, such redemption or purchase shall be in exchange for or funded out of the proceeds of a new issuance of capital of at least the same quality as the Notes, if required pursuant to the then Applicable Regulations or pursuant to any such other alternative requirements under the then Applicable Regulations;
- (ii) that is after the fifth anniversary of the Issue Date and before the tenth anniversary of the Issue Date, or any other such period prescribed by the then Applicable Regulations, the Relevant Supervisory Authority shall have confirmed to the Issuer that it is satisfied that the Solvency Capital Requirement is exceeded by an appropriate margin (taking into account the solvency position of the Issuer including the Issuer's medium-term capital plan), unless such redemption or purchase shall be in exchange for or funded out of the proceeds of a new issuance of capital of at least the same quality as the Notes, if required pursuant to the then Applicable Regulations.

Purchase:

Subject to certain conditions, the Issuer or any of its affiliated entities may at any time purchase Notes in any manner and at any price.

Listing and Admission to trading:

Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List of the Irish Stock Exchange and admitted to trading on its Global Exchange Market.

Meetings of Noteholders:

The Terms and Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Rating:

The Notes are expected to be rated BB- by Fitch.

A credit rating is not a recommendation to buy, sell or hold securities and is subject to suspension, reduction or withdrawal at any time by the assigning rating agency. A suspension, reduction or withdrawal of a credit rating

assigned to VIVAT may adversely affect the market price of the Notes.

Fitch is established in the EU and is registered under the Regulation (EC) No 1060/2009 on credit rating agencies, as amended.

Clearing:

Clearstream Banking S.A. and Euroclear Bank SA/NV

Selling Restrictions:

The Notes have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Notes may be sold in other jurisdictions only in compliance with applicable laws and regulations. See "*Subscription and Sale*" below.

Risk Factors:

There are certain factors that may affect VIVAT's ability to fulfil its obligations under the Notes. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with the Notes and certain risks relating to the structure of the Notes. These are set out under "*Risk Factors*".

Governing Law:

Dutch law.

Use of Proceeds:

The net proceeds from the issue of the Notes will be applied by the VIVAT Group to refinance existing indebtedness. Any remaining proceeds will be applied for general corporate purposes.

ISIN Code

XS1835946564

Common Code:

183594656

TERMS AND CONDITIONS OF THE NOTES

*The terms and conditions of the Notes (each a **Condition**, and together the **Conditions**) will be as follows:*

The issue of the EUR 300,000,000 Perpetual Restricted Tier 1 Write-Down Notes (the **Notes**) issued by VIVAT N.V. (the **Issuer**) was authorised by a resolution of the Executive Board passed on 29 May 2018, by a resolution of the Supervisory Board passed on 29 May 2018 and by a resolution of the General Meeting passed on 1 June 2018. A fiscal, paying and calculation agency agreement dated as of 19 June 2018 (the **Agency Agreement**) has been entered into in relation to the Notes between the Issuer and Deutsche Bank AG, London Branch, as fiscal agent, principal paying agent and calculation agent (together with any substitute fiscal agent or calculation agent, as the case may be, the **Fiscal Agent** or the **Calculation Agent**). Copies of the Agency Agreement are available for inspection during usual business hours at the specified office of the Fiscal Agent.

Any reference herein to Coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons. Any reference herein to **Noteholders** shall mean the holders of the Notes, and shall, in relation to any Notes represented by a global Note, be construed as provided below. Any reference herein to **Couponholders** shall mean the holders of the Coupons, and shall, unless the context otherwise requires, include the holders of the Talons.

1. DEFINITIONS

For purposes hereof, the following definitions shall apply:

5 Year Mid-Swap Rate means, in relation to a Reset Period and the Reset Interest Rate Determination Date in respect of such Reset Period:

- (i) the mid-swap rate for euro swaps with a term of 5 years which appears on the Screen Page, to be determined on or about 11:00 a.m. (Central European time) on such Reset Interest Rate Determination Date; or
- (ii) if such rate does not appear on the Screen Page at such time on such Reset Interest Rate Determination Date, the Reset Reference Bank Rate on such Reset Interest Rate Determination Date.

Additional Amounts has the meaning ascribed to it in Condition 8.1 (*Payment without withholding*).

Alignment Event means that (i) as a result of any change or amendment to the Applicable Regulations or the interpretation thereof by the Relevant Supervisory Authority at any time after the Issue Date, the Issuer would be able to issue a capital instrument qualifying as Tier 1 Own Funds for regulatory capital purposes that contains one or more provisions that are, in the reasonable opinion of the Issuer, different from those in the terms and conditions of the Notes, which provisions, if they had been included in the terms and conditions of the Notes, would have prevented the Notes from qualifying as Tier 1 Own Funds immediately prior to such change in the Solvency II Regulation or interpretation thereof; or (ii) there are other capital instruments that (A) have been issued by any member of the Group, (B) qualify as Tier 1 Own Funds for regulatory capital purposes and (C) contain one or more provisions that are, in the reasonable opinion of the Issuer, different in any material respect from those in the Terms and Conditions.

Applicable Regulations means any legislation, rules or regulations (whether having the force of law or otherwise) applying to the Issuer or any Insurance Undertaking or Reinsurance Undertaking within the Group from time to time relating to the characteristics, features or criteria

of own funds or capital resources and the requirement to retain capital resources in excess of a prescribed capital resources requirement and, for the avoidance of doubt and without limitation to the foregoing, includes any legislation, rules or regulations relating to such matters which are supplementary or extraneous to the obligations imposed by the Solvency II Directive.

Assets means the non-consolidated gross assets of the Issuer as shown by the then latest published audited balance sheet of the Issuer but adjusted for contingencies and for subsequent events and to such extent as two members of the Executive Board, the auditors or, as the case may be, the liquidator (*curator*) may determine to be appropriate.

Business Day means any day (other than a Saturday or a Sunday) which is a TARGET Business Day.

Calculation Amount means, initially €1,000 in principal amount of each Note, or, following adjustment (if any) downwards in accordance with Condition 7 (*Principal Loss Absorption*), the amount resulting from such adjustment.

Coalition Agreement Deductibility Event means a Tax Deductibility Event that arises solely by the implementation of thin capitalisation rules for banks and insurers on the terms as set out in item N147 on page 67 of the coalition agreement of the proposed Dutch Government (Regeerakkoord) 2017 – 2021 published on 10 October 2017.

Coupon has the meaning given in Condition 2 (*Denomination, Form and Title of the Notes*).

Couponholder has the meaning given in the introduction to these Conditions.

Day Count Fraction means, in respect of any relevant period, the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the product of (1) the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last) and (2) the number of Interest Periods normally ending in any year.

Distributable Items means, with respect to and as at any Interest Payment Date, without double-counting, an amount equal to:

- (i) the retained earnings and the distributable reserves of the Issuer, calculated on an unconsolidated basis, as at the last calendar day of the then most recently ended financial year of the Issuer; plus
- (ii) the profit for the period (if any) of the Issuer, calculated on an unconsolidated basis, for the period from the Issuer's then latest financial year end to (but excluding) such Interest Payment Date; less
- (iii) the loss for the period (if any) of the Issuer, calculated on an unconsolidated basis, for the period from the Issuer's then latest financial year end to (but excluding) such Interest Payment Date,

each as defined under national law, or in the articles of association of the Issuer.

Executive Board means the executive board of the Issuer.

Extraordinary Resolution means a resolution passed at a meeting of the Noteholders duly convened and held in accordance with the provisions herein contained by a majority consisting of not less than 75 per cent. of the persons voting at such meeting upon a show of hands or if a

poll be duly demanded then by a majority consisting of not less than 75 per cent. of the votes given on such poll.

First Call Date means 19 June 2025.

Gross-Up Event has the meaning ascribed to it in Condition 6.7 (*Redemption following a Gross-Up Event*).

Group means the Issuer and its direct and indirect subsidiaries.

Group Insurance Undertaking means an Insurance Undertaking or a Reinsurance Undertaking of the Group.

Initial Principal Amount means the principal amount of each Note being €200,000 and integral multiples of €1,000 in excess thereof up to (and including) €399,000.

Insolvent Insurer Liquidation means a liquidation of any Group Insurance Undertaking that is not at that time a Solvent Insurer Liquidation.

Insurance Undertaking has the meaning given to such term in article 13 of the Solvency II Directive.

Interest Payment means in respect of an interest payment on an Interest Payment Date, the amount of interest payable for the relevant Interest Period in accordance with Condition 4 (*Interest*).

Interest Payment Date means 19 June and 19 December in each year, commencing on 19 December 2018.

Interest Period means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

Interest Rate has the meaning ascribed to it in Condition 4.1(a).

Issue Date means 19 June 2018.

Issuer Winding-Up has the meaning ascribed to it in Condition 3.2 (*Subordination*).

Junior Obligations means any present and future classes of share capital of the Issuer, other than any class of preferred share capital that qualifies as a Parity Obligation or as a Senior Obligation, and any present and future unsecured, subordinated obligations of the Issuer which rank, or are expressed to be ranking, junior to its obligations to the Noteholders in respect of the Notes.

Liabilities means the non-consolidated gross liabilities of the Issuer as shown by the then latest published audited balance sheet of the Issuer, but adjusted for contingencies and for subsequent events and to such extent as two members of the Executive Board, the auditors or, as the case may be, the liquidator (*curator*) may determine to be appropriate.

Loss Absorbing Tier 1 Instruments means instruments meeting the requirements to be classified as restricted Tier 1 Own Funds under the Solvency II Regulation.

Mandatory Interest Cancellation Event has the meaning ascribed to it in Condition 4.3(b)

(Mandatory Interest Cancellation).

Margin means 6.463 per cent. per annum.

Mid-Swap Rate Quotations means the arithmetic mean of the bid and ask rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro interest rate swap transaction which:

- (i) has a term of 5 years commencing on the relevant Reset Date;
- (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market; and
- (iii) has a floating leg based on six-month EURIBOR (calculated on an Actual/360 day count basis).

Minimum Capital Requirement means the minimum consolidated group Solvency Capital Requirement referred to in the Solvency II Directive or the Applicable Regulations from time to time.

Noteholder has the meaning given in the introduction to these Conditions.

Own Fund Items means the amount of eligible “own funds-items” (or any equivalent terminology employed by the Applicable Regulations) of the Issuer on a consolidated basis.

Parity Obligations means any present and future obligations of the Issuer ranking, or expressed to be ranking, *pari passu* with its obligations to the Noteholders in respect of the Notes.

Policyholder Claims means claims of policyholders in a liquidation of a Group Insurance Undertaking to the extent that those claims relate to any debt to which the Group Insurance Undertaking is, or may become, liable to a policyholder pursuant to a contract of insurance.

Prevailing Principal Amount means the Initial Principal Amount as reduced from time to time by any Write-Down.

Prior Approval of the Relevant Supervisory Authority means in respect of any proposed act on the part of the Issuer, the prior written approval or consent of, or notification to the Relevant Supervisory Authority, if such approval, notification or consent is required at the time under any Applicable Regulations or an official application or interpretation thereof.

Qualifying Tier 1 Notes means securities issued directly or indirectly by the Issuer that:

- (i) have terms not materially less favourable to an investor than the terms of the Notes (as reasonably determined by the Issuer in consultation with an independent adviser of international standing);
- (ii) subject to paragraph (i) above:
 - (a) contain terms which comply with the then current requirements of the Relevant Supervisory Authority in relation to Tier 1 Own Funds;
 - (b) bear at least the same rate of interest from time to time applying to the Notes and preserve the Interest Payment Dates;
 - (c) contain terms providing for the cancellation of payments of interest only if such

terms are not materially less favourable to an investor than the cancellation provisions contained in the original terms of the Notes;

- (d) rank at least *pari passu* with the Notes;
- (e) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Notes, including (without limitation) as to timing of, and amounts payable upon, such redemption, provided that such Qualifying Tier 1 Notes may not be redeemed by the Issuer prior to the First Call Date (save for redemption, exchange or variation on terms analogous with Condition 6 (*Redemption and Purchase*));
- (f) preserve any existing rights under these Conditions to any accrued interest and any other amounts payable under the Notes which, in each case, has accrued to Noteholders and not been paid (but without prejudice to any right of the Issuer subsequently to cancel any such rights so preserved in accordance with the terms of the Qualifying Tier 1 Notes); and
- (g) are listed or admitted to trading on the Irish Stock Exchange or such other stock exchange as selected by the Issuer in consultation with the Fiscal Agent.

Rating Agency means any recognised international statistical rating organisation, including but not limited to Fitch.

Rating Agency Compliant Notes means Notes issued directly or indirectly by the Issuer that are:

- (i) Qualifying Tier 1 Notes; and
- (ii) assigned by the Rating Agency substantially the same equity content or, at the absolute discretion of the Issuer, a lower equity content (provided such equity content is still higher than the equity content assigned to the Notes after the occurrence of the Rating Methodology Event) as that which was assigned by the Rating Agency to the Notes on or around the Issue Date.

Rating Methodology Event will be deemed to occur upon a change in, or clarification to, the methodology of any Rating Agency (or in the interpretation by the relevant Rating Agency of such methodology) on or after the Issue Date as a result of which the equity content previously assigned by such Rating Agency to the Notes is, in the reasonable opinion of the Issuer, materially reduced when compared to the equity content assigned by such Rating Agency at or around the Issue Date or, from the date on which equity credit is first assigned should such Rating Agency only assess the instrument at a later date.

Redemption and/or Purchase Conditions has the meaning ascribed to it in Condition 6.2 (*Conditions to Redemption and/or Purchase*).

Regulatory Event has the meaning ascribed to it in Condition 6.9 (*Redemption for Regulatory Reasons*).

Reinsurance Undertaking has the meaning given to such term in article 13 of the Solvency II Directive.

Relevant Supervisory Authority means any regulator or other authority from time to time having primary supervisory authority with respect to prudential matters in relation to the Issuer. As at the

Issue Date, the Relevant Supervisory Authority is the Dutch Central Bank (*De Nederlandsche Bank N.V.* or DNB).

Reset Date means the First Call Date, the fifth (5th) anniversary thereof and each subsequent fifth (5th) anniversary thereof.

Reset Period means each period from (and including) a Reset Date to (but excluding) the next succeeding Reset Date.

Reset Interest Rate Determination Date means, in respect of each Reset Period, the second Business Day prior to the start of each Reset Period.

Reset Reference Banks means six leading swap dealers in the interbank market selected by the Issuer or a third party appointed by the Issuer.

Reset Reference Bank Rate means, with respect to a Reset Interest Rate Determination Date, the percentage rate determined on the basis of the Mid-Swap Rate Quotations provided by the Reset Reference Banks to the Fiscal Agent at approximately 11:00 a.m. (Central European time) on such Reset Interest Rate Determination Date. If at least three quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Bank Rate will be the quotation provided. If no quotations are provided, the Reset Reference Bank Rate will be (i) in the case of each Reset Period other than the Reset Period commencing on the First Call Date, the 5 Year Mid-Swap Rate in respect of the immediately preceding Reset Period or (ii) in the case of the Reset Period commencing on the First Call Date, 0.379 per cent. per annum.

SCR Ratio means the sum of all eligible own fund items divided by the Solvency Capital Requirement, calculated on a consolidated basis.

Screen Page means Reuter screen "ICESWAP2" or such other page as may replace it on Reuters or, as the case may be, on such other information service that may replace Reuters, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates comparable to the relevant 5 Year Mid-Swap Rate.

Senior Obligations means any present and future obligations to creditors of the Issuer (a) who are unsubordinated creditors of the Issuer or (b) whose claims are, or are expressed to be, subordinated to the claims of unsubordinated creditors of the Issuer (such subordinated claims including any claims with respect to instruments that qualify as Tier 2 Own Funds or Tier 3 Own Funds (in each case whether or not such securities count as Tier 2 Own Funds or Tier 3 Own Funds, respectively, at the time) of the Issuer), including the \$575 million of subordinated notes of the Issuer issued on 16 November 2017 (ISIN: XS1717202490), other than those obligations that are, or are expressed to rank, *pari passu* with or junior to its obligations to the Noteholders.

Solvency II means the Solvency II Directive and any implementing measures adopted pursuant to the Solvency II Directive (for the avoidance of doubt, whether implemented by way of regulation, implementing technical standards or by further directives, guidelines published by the European Insurance and Occupational Pensions Authority (or any successor entity) or otherwise) including, without limitation, the Solvency II Regulation.

Solvency II Directive means Directive 2009/138/EC of the European Parliament and of the Council of 25 November, 2009 on the taking-up and pursuit of the business of insurance and

reinsurance (Solvency II), as amended.

Solvency II Regulation means Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking up and pursuit of the business of Insurance and Reinsurance (Solvency II), as amended.

Solvency Capital Requirement means the Solvency Capital Requirement of the Group referred to in, or any other capital requirement relating to the Issuer or the Group (other than the Minimum Capital Requirement) howsoever described in, the Solvency II Directive or the Applicable Regulations from time to time.

Solvent means that the Issuer is (a) able to pay its debts to its unsubordinated and unsecured creditors as they fall due and (b) its Assets exceed its Liabilities (including Liabilities that are, or are expressed to be, subordinated (whether only in the event of an Issuer winding-up or otherwise) to the claims of unsubordinated creditors of the Issuer (such subordinated claims including any claims with respect to instruments that qualify as Tier 2 Own Funds or Tier 3 Own Funds (in each case whether or not such securities count as Tier 2 Own Funds or Tier 3 Own Funds, respectively, at the time) of the Issuer), other than those whose claims are, or are expressed to rank, *pari passu* with or junior to the claims of the Noteholders).

Solvent Insurer Liquidation means a liquidation of any Group Insurance Undertaking where the Issuer has determined, acting reasonably, that all Policyholder Claims of such Group Insurance Undertaking will be met.

Supervisory Board means the supervisory board of the Issuer.

Talon has the meaning given in Condition 2 (*Denomination, Form and Title of the Notes*).

TARGET Business Day means a day on which the TARGET System is operating.

TARGET System means the Trans-European Automated Real-time Gross settlement Express Transfer system (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

Tax Deductibility Event has the meaning ascribed to it in Condition 6.8 (*Redemption following a Tax Deductibility Event*).

Tier 1 Own Funds has the meaning ascribed to it in the Applicable Regulations from time to time.

Tier 2 Own Funds has the meaning ascribed to it in the Applicable Regulations from time to time.

Tier 3 Own Funds has the meaning ascribed to it in the Applicable Regulations from time to time.

Trigger Event has the meaning ascribed to it in Condition 7.1 (*Write-Down upon Trigger Event*).

Write-Down Amount is the amount of the write-down of the Prevailing Principal Amount of the Notes on the applicable Write-Down Date and will be equal to, at the determination of the Issuer:

- (i) the amount that would reduce the Prevailing Principal Amount to zero, if the relevant Trigger Event has occurred pursuant to a) or b) of the Trigger Event definition in Condition

7.1 (*Write-Down upon Trigger Event*) to the extent required by the Applicable Regulations that apply at the time of a Trigger Event, or as otherwise required pursuant to alternative requirements under the then Applicable Regulations; or

- (ii) together with the pro-rata conversion or write-down of all other Loss Absorbing Tier 1 Instruments of the Issuer when compared with the Prevailing Principal Amount:
 - (a) the amount necessary to restore the SCR Ratio to 100%, to the extent it is below 100%; or,
 - (b) if the SCR Ratio cannot be restored to 100%, then the amount necessary on a linear basis to reflect the SCR Ratio where the Prevailing Principal Amount would be equal to (x) zero if the SCR Ratio were 75% and (y) the Initial Principal Amount if the SCR Ratio were 100%; or
 - (c) any higher amount that would be required by the Applicable Regulations in force at the time of the Write-Down;

for each paragraph (a), (b) and (c) above, only if the relevant Trigger Event has occurred pursuant solely to c) of the Trigger Event definition in Condition 7.1 (*Write-Down upon Trigger Event*) and if such Write-Down Amount is permitted by the Applicable Regulations that apply at the time of the Trigger Event. If it were not permitted by the Applicable Regulations paragraph (i) will apply.

Write-Down Date means any date on which a reduction of the Prevailing Principal Amount will take effect.

Write-Down Notice means a notice which specifies (i) that a Trigger Event has occurred, (ii) the Write-Down Amount and (iii) the Write-Down Date. Any such notice shall be accompanied by a certificate signed by an authorised officer of the Issuer stating that a Trigger Event has occurred and setting out the method of calculation of the relevant Write-Down Amount attributable to the Notes.

Write-Down Testing Date means the date falling three months after the occurrence of a Trigger Event pursuant to Condition 7.1(c) and each subsequent three-month anniversary of the date thereof or any other date determined by the Relevant Supervisory Authority according to the Applicable Regulations.

2. DENOMINATION, FORM AND TITLE OF THE NOTES

The Notes are in bearer form and, in the case of definitive Notes, serially numbered and with interest coupons (**Coupons**) and talons for further Coupons (**Talons**) attached.

Subject as set out below, title to the Notes and Coupons will pass by delivery. Except as ordered by a court of competent jurisdiction or as required by law or applicable regulations, the Issuer and the Fiscal Agent may deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a global Note held on behalf of Clearstream Banking S.A. (**Clearstream, Luxembourg**) and/or Euroclear Bank SA/NV (**Euroclear**) (together; the **Notes Settlement System**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of the Notes Settlement System as the holder of a

particular nominal amount of such Notes (in which regard any certificate or other document issued by the Notes Settlement System as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Fiscal Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose the bearer of the relevant global Note shall be treated by the Issuer and the Fiscal Agent as the holder of such Notes in accordance with and subject to the terms of the relevant global Note (and the expression **Noteholder** and related expressions shall be construed accordingly). Notes which are represented by a global Note held by a common depositary or a common safekeeper for the Notes Settlement System will be transferable only in accordance with the rules and procedures for the time being of the Notes Settlement System.

The Notes are issued in denominations of €200,000 and integral multiples of €1,000 in excess thereof up to (and including) €399,000 and can only be settled through the Notes Settlement System in nominal amounts equal to a whole denomination (or a whole multiple thereof).

3. STATUS AND SUBORDINATION OF THE NOTES AND SET-OFF

3.1 Status

The Notes constitute unsecured and subordinated obligations of the Issuer. The rights and claims of the Noteholders are subordinated as described in Condition 3.2 (*Subordination*).

3.2 Subordination

The rights and claims (if any) of the Noteholders to payment of the Prevailing Principal Amount of the Notes and any other amounts in respect of the Notes (including any accrued interest or damages awarded for breach of any obligations under these Conditions, if any are payable) shall, in the event of (i) insolvency (*faillissement*) of the Issuer, (ii) moratorium (*surseance van betaling* or *noodregeling*, as applicable) being applied to the Issuer, (iii) dissolution (*ontbinding*) or (iv) liquidation (*vereffening*) of the Issuer (such events (i) through (iv) each being an **Issuer Winding-up**) rank, subject to any rights or claims which are mandatorily preferred by law,

- (i) junior to the rights and claims of creditors in respect of Senior Obligations;
- (ii) *pari passu* without any preference among themselves and with all rights and claims of creditors in respect of Parity Obligations; and
- (iii) senior only to the rights and claims of creditors in respect of Junior Obligations.

By virtue of such subordination, payments to a Noteholder will, in the event of an Issuer Winding-Up, only be made after all Senior Obligations of the Issuer have been satisfied. There will be no negative pledge in respect of the Notes.

3.3 Waiver of Set-Off

By acceptance of the Notes, each Noteholder will be deemed to have waived any right of set-off or counterclaim that such Noteholder might otherwise have against the Issuer in respect of or arising under the Notes whether prior to or in an Issuer Winding-Up. Notwithstanding the preceding sentence, if any of the rights and claims of any Noteholder in respect of or arising under or in connection with the Notes are discharged by set-off, such Noteholder will, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer or, if applicable, the liquidator (*curator*) of the Issuer and, until such time as payment is made, will hold a sum equal to such amount for the Issuer or, if applicable, the liquidator (*curator*) in an Issuer Winding-Up.

Accordingly, any such discharge will be deemed not to have taken place.

4. INTEREST

4.1 General

- (a) Subject to Condition 4.3 (*Interest Cancellation*), the Notes bear interest on their Prevailing Principal Amount (i) at a fixed rate of 7.00 per cent *per annum* from (and including) the Issue Date to (but excluding) the First Call Date, and (ii) thereafter at a fixed rate of interest which will be reset on each Reset Date, to be calculated by the Calculation Agent as the sum of the applicable 5 Year Mid-Swap Rate in relation to that Reset Period, plus the Margin, converted to a semi-annual rate in accordance with market convention (rounded to three decimal places with 0.0005 rounded upwards) (the **Interest Rate**).
- (b) The Calculation Agent will cause the Interest Rate for each Interest Period to be notified to the Issuer and to the Irish Stock Exchange and any other stock exchange on which the Notes are for the time being listed (by no later than the first day of each Interest Period) and notice thereof to be given to the Noteholders in accordance with Condition 10 (*Notices*) as soon as possible after their determination but in no event later than the fourth Business Day thereafter. For the purposes of this paragraph, the expression Business Day means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London and Amsterdam.
- (c) On each Interest Payment Date, the Issuer shall pay interest on the Notes accrued to that date in respect of the Interest Period ending immediately prior to such Interest Payment Date, subject to the provisions of Condition 4.3 (*Interest Cancellation*) below.
- (d) If interest is required to be calculated for a period other than an Interest Period, such interest shall be calculated by applying the Interest Rate to the Prevailing Principal Amount, multiplying such sum by the Day Count Fraction, and rounding the resultant figure to the nearest Euro cent, with half of a Euro cent being rounded upwards.

Interest in respect of the Notes shall be calculated per Calculation Amount.

- (e) Subject to cancellation of interest (in whole or in part) as provided herein, the Notes will cease to bear interest from and including the due date for redemption unless payment of the principal in respect of the Notes is improperly withheld or refused on such date or unless default is otherwise made in respect of the payment. In such event, the Notes will continue to bear interest at the relevant Interest Rate on their remaining unpaid amount until the day on which all sums due in respect of the Notes up to (but excluding) that day are received by or on behalf of the relevant Noteholder.

4.2 Calculation Agent

- (a) The Agency Agreement provides that the Issuer may at any time terminate the appointment of the Calculation Agent and appoint a substitute Calculation Agent provided that so long as any of the Notes remain outstanding there shall at all times be a Calculation Agent for the purposes of the Notes having a specified office in a major European city. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Calculation Agent or failing duly to determine the Interest Rate, the Issuer shall appoint the European office of another leading bank engaged in the Amsterdam or London or interbank market to act in its place. The Calculation Agent may not resign its duties or be removed without a successor having been appointed.

- (b) All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4 (*Interest*) by the Calculation Agent will (in the absence of default, bad faith or manifest error) be final and binding on the Issuer and all Noteholders and (in the absence of default, bad faith or manifest error) no liability to the Issuer or the Noteholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition 4 (*Interest*).

4.3 Interest Cancellation

- (a) Optional Cancellation of Interest Payments

Subject to Condition 4.3(b), the Issuer may, at its sole and absolute discretion at any time elect to cancel in full or in part any Interest Payment which would otherwise be due and payable on any Interest Payment Date.

- (b) Mandatory Interest Cancellation

To the extent required by the Applicable Regulations in order for the Notes to qualify as Tier 1 Own Funds from time to time and save as otherwise permitted pursuant to Condition 4.3(c) (*Exceptional Waiver of Interest Cancellation*), the Issuer will be obliged to cancel any Interest Payment on the Notes in accordance with this Condition 4 and the Issuer shall not have any obligation to make such Interest Payment, if:

- (i) the Issuer is not or would not be Solvent, if such Interest Payment was made on the next Interest Payment Date; or
- (ii) the Issuer has determined that the amount of eligible Own Fund Items of the Issuer on a consolidated basis to cover the Solvency Capital Requirement is, or as a result of a payment would become, insufficient to cover such Solvency Capital Requirement; or
- (iii) the Issuer has determined that the amount of eligible Own Fund Items of the Issuer on a consolidated basis to cover the Minimum Capital Requirement is, or as a result of a payment would become, not sufficient to cover such Minimum Capital Requirement; or
- (iv) the Relevant Supervisory Authority has notified the Issuer that it has determined, in view of the financial and/or solvency condition of the Issuer on a consolidated basis, that in accordance with the Applicable Regulations at such time the Issuer must take specified action in relation to deferral of payments of principal and/or interest under the Notes; or
- (v) the amount of such Interest Payment, when aggregated with any Additional Amounts payable with respect thereto, any interest payments or distributions which have been made or which are scheduled simultaneously to be paid or made on all Tier 1 Own Funds (excluding any such payments which do not reduce the Issuer's Distributable Items and any payments already accounted for in determining the Issuer's Distributable Items) since the end of the latest financial year of the Issuer and prior to, or on, such Interest Payment Date, would exceed the amount of the Issuer's Distributable Items as at the Interest Payment Date in respect of such Interest Payment.

Each of the events or circumstances described in Conditions 4.3(b) (i) to (v) (inclusive)

above being a **Mandatory Interest Cancellation Event**.

(c) **Exceptional Waiver of Interest Cancellation**

Notwithstanding Condition 4.3(b), the Issuer shall not be required to cancel an Interest Payment where the requirement to cancel arises due to limb (ii) of the definition of Mandatory Interest Cancellation Event and the Relevant Supervisory Authority has exceptionally waived the cancellation of the Interest Payment and has confirmed to the Issuer that it is satisfied that payment of the Interest Payment would not further weaken the solvency position of the Issuer (subject to the Minimum Capital Requirement being complied with immediately following such interest payment, if made).

(d) **Non-cumulative Interest**

Any Interest Payment which is not paid on any Interest Payment Date shall not accumulate or be payable at any time thereafter, and such non-payment will not constitute a default or an event of default by the Issuer for any purpose, and the Noteholders shall have no right thereto.

If the Issuer fails to make any Interest Payment on an Interest Payment Date, such non-payment shall evidence that the Issuer has elected, or is required, to cancel such Interest Payment in accordance with the foregoing provisions.

(e) **Notice of Cancellation**

If practicable under the circumstances, the Issuer shall give not less than five (5) nor more than thirty (30) Business Days' prior notice to the Noteholders in accordance with Condition 10 (*Notices*) of any optional or mandatory cancellation of any Interest Payment under the Notes on any Interest Payment Date.

So long as the Notes are listed on the Irish Stock Exchange and the rules of such stock exchange so require, notice of any such cancellation shall also be given as soon as reasonably practicable to such stock exchange.

This notice will not be a condition to the cancellation of any Interest Payment. Any delay or failure by the Issuer to give such notice shall not affect the cancellation described above nor constitute a default or event of default by the Issuer for any purpose.

5. PAYMENTS

5.1 Principal

Payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of Notes at the specified office of any paying agent outside the United States by euro cheque drawn on, or by transfer to a euro account (or other account to which Euro may be credited or transferred) maintained by the payee with a bank in a city in which banks have access to the TARGET System.

5.2 Interest

Payments of interest shall, subject to Condition 5.7 (*Payments other than in respect of matured Coupons*) below, be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the specified office of any paying agent outside the United States in the manner described in Condition 5.1 (*Principal*) above.

5.3 Global Form

Payments of principal and interest (if any) in respect of Notes represented by a global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes and otherwise in the manner specified in the relevant global Note, where applicable, against presentation or surrender, as the case may be, of such global Note at the specified office of any paying agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made on such global Note either by such paying agent to which it was presented or in the records of the relevant Notes Settlement System.

The holder of a global Note shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such global Note in respect of each amount so paid. Each of the persons shown in the records of the relevant Notes Settlement System as the beneficial holder of a particular nominal amount of Notes represented by such global Note must look solely to the relevant Notes Settlement System, for his share of each payment so made by the Issuer to, or to the order of, the holder of such global Note. No person other than the holder of such global Note shall have any claim against the Issuer in respect of any payments due on that global Note.

5.4 Payments subject to fiscal or other laws

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*).

5.5 Deduction for unmatured Coupons

If a Note is presented without all unmatured Coupons relating thereto, then:

- (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; provided, however, that if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
- (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the **Relevant Coupons**) being equal to the amount of principal due for payment; *provided, however, that* where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
 - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; *provided, however, that*, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the

aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in Condition 5.1 (*Principal*) above against presentation and (*provided that* payment is made in full) surrender of the relevant missing Coupons at any time before the expiry of ten years after the Relevant Date (as defined in Condition 8.1 (*Payment without Withholding*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 11 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due. No payments will be made in respect of void Coupons.

5.6 Payments on Business Days

If the due date for payment of any amount in respect of any Note or Coupon is not a Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

5.7 Payments other than in respect of matured Coupons

Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the specified office of any paying agent outside the United States.

5.8 Partial payments

If the Fiscal Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, the Fiscal Agent will endorse thereon a statement indicating the amount and the date of such payment.

6. REDEMPTION AND PURCHASE

6.1 No Redemption Date

The Notes are perpetual Notes in respect of which there is no fixed maturity or redemption date. The Issuer shall be entitled to redeem the Notes only in accordance with the provisions below. The Notes are not redeemable at the option of the Noteholders at any time.

6.2 Conditions to Redemption and/or Purchase

To the extent required by the Applicable Regulations in order for the Notes to qualify as Tier 1 Own Funds from time to time, subject to the Prior Approval of the Relevant Supervisory Authority the Notes may only be redeemed pursuant to any of the optional redemption provisions referred to below under Condition 6.6 (*Redemption at the Option of the Issuer*), 6.7 (*Redemption following a Gross-Up Event*), 6.8 (*Redemption following a Tax Deductibility Event*), 6.9 (*Redemption for Regulatory Reasons*), 6.11 (*Redemption for Rating Reasons*) or 6.13 (*Clean-up Redemption*) or purchased by the Issuer or any of its affiliates pursuant to Condition 6.16 (*Purchases*), if:

- (i) the Issuer is in compliance with all Applicable Regulations, including but not limited to the situation that no breach of the Solvency Capital Requirement or Minimum Capital Requirement has occurred and is continuing on the relevant redemption or purchase date, or such redemption or purchase would itself not cause eligible Own Fund Items of the Issuer on a consolidated basis to become insufficient to cover the Solvency Capital Requirement

or Minimum Capital Requirement;

- (ii) the Issuer is Solvent prior to the relevant redemption or purchase date and as result of such redemption or purchase the Solvent position of the Issuer would not change;
- (iii) no Insolvent Insurer Liquidation has occurred and is continuing on the relevant redemption or purchase date; and
- (iv) subject to any additional or alternative other requirements or pre-conditions required being satisfied (and being satisfied following the proposed redemption or purchase),

and is each continuing on the relevant redemption or purchase date (the conditions set out in Condition 6.2(i) to (iv) (*Conditions to Redemption and/or Purchase*) (inclusive) being the **Redemption and/or Purchase Conditions**).

In the case of an optional redemption referred to in Condition 6.6 (*Redemption at the Option of the Issuer*), 6.7 (*Redemption following a Gross-Up Event*), 6.8 (*Redemption following a Tax Deductibility Event*), 6.9 (*Redemption for Regulatory Reasons*), 6.11 (*Redemption for Rating Reasons*) or 6.13 (*Clean-up Redemption*) or any purchase of the Notes referred to in Condition 6.16 (*Purchases*):

- (i) that is within five years from the Issue Date, such redemption or purchase shall be in exchange for or funded out of the proceeds of a new issuance of capital of at least the same quality as the Notes, if required pursuant to the then Applicable Regulations or pursuant to any such other alternative requirements under the then Applicable Regulations;
- (ii) that is after the fifth anniversary of the Issue Date and before the tenth anniversary of the Issue Date, or any other such period prescribed by the then Applicable Regulations, the Relevant Supervisory Authority shall have confirmed to the Issuer that it is satisfied that the Solvency Capital Requirement is exceeded by an appropriate margin (taking into account the solvency position of the Issuer including the Issuer's medium-term capital plan), unless such redemption or purchase shall be in exchange for or funded out of the proceeds of a new issuance of capital of at least the same quality as the Notes, if required pursuant to the then Applicable Regulations.

If on the proposed date for redemption of the Notes the Redemption and/or Purchase Conditions are not met, redemption of the Notes shall instead be deferred and such redemption shall occur only in accordance with Condition 6.4 (*Deferral of Redemption or Purchase*).

6.3 Waiver of Redemption and/or Purchase Condition relating to Solvency Capital Requirement by Relevant Supervisory Authority

Notwithstanding Condition 6.2 (*Conditions to Redemption and/or Purchase*), the Issuer shall be entitled to redeem or purchase the Notes (to the extent permitted by the Applicable Regulations) where:

- (i) all Redemption and/or Purchase Conditions are met other than that described in Condition 6.2 (i); and
- (ii) the Relevant Supervisory Authority has exceptionally waived the cancellation of redemption or, as the case may be, purchase of the Notes; and
- (iii) all (but not some only) of the Notes redeemed or purchased at such time are exchanged for

a new issue of Tier 1 Own Funds of at least the same quality of the Notes; and

- (iv) the Minimum Capital Requirement will be complied with immediately after such redemption or purchase is made.

6.4 Deferral of Redemption and/or Purchase

The Issuer shall notify the Noteholders in accordance with Condition 10 (*Notices*) no later than five (5) Business Days prior to any date set for redemption or purchase, as applicable, of the Notes if such redemption or purchase, as applicable is to be deferred in accordance with this Condition 6.4, provided that if an event occurs less than five (5) Business Days prior to the date set for redemption or purchase, as applicable, that results in the Redemption and/or Purchase Conditions ceasing to be met, the Issuer shall notify the Noteholders in accordance with Condition 10 (*Notices*) as soon as reasonably practicable following the occurrence of such event.

If redemption or purchase, as applicable, of the Notes does not occur on the date specified in the notice of redemption, or purchase, as applicable, by the Issuer under Condition 6.6 (*Redemption at the Option of the Issuer*), 6.7 (*Redemption following a Gross-Up Event*), 6.8 (*Redemption following a Tax Deductibility Event*), 6.9 (*Redemption for Regulatory Reasons*), 6.11 (*Redemption for Rating Reasons*), 6.13 (*Clean-up Redemption*) or 6.16 (*Purchases*) as a result of the operation of Condition 6.2 (*Conditions to Redemption and/or Purchase*), the Issuer shall redeem or purchase, as applicable, such Notes at their Prevailing Principal Amount together with any other accrued and unpaid interest (in each case, to the extent that such amounts have not previously been cancelled pursuant to these Conditions), upon the earlier of:

- (i) the date falling ten (10) Business Days after the date on which the Redemption and Purchase Conditions are met or redemption or purchase, as applicable, of the Notes is otherwise permitted pursuant to Condition 6.3 (*Waiver of Redemption and/or Purchase Condition relating to Solvency Capital Requirement by Relevant Supervisory Authority*); or
- (ii) the date falling ten (10) Business Days after the date on which the Relevant Supervisory Authority has agreed to the repayment, redemption or purchase, as applicable, of the Notes; or
- (iii) the date on which an Issuer Winding-up occurs.

The Issuer shall notify the Fiscal Agent, the Calculation Agent and the Noteholders in accordance with Condition 10 (*Notices*) no later than five (5) Business Days prior to any such date set for redemption or purchase, as applicable, pursuant to Condition 6.4(i), (ii) or (iii).

6.5 Deferral of Redemption Not a Default

Notwithstanding any other provision in these Conditions, the deferral of redemption of the Notes in accordance with Condition 6.2 (*Conditions to Redemption and/or Purchase*) and Condition 6.4 (*Deferral of Redemption*) will not constitute a default by the Issuer and will not give Noteholders any right to accelerate the Notes or take any enforcement action under the Notes.

6.6 Redemption at the Option of the Issuer

Provided that the Redemption and/or Purchase Conditions are met, and subject to the Prior Approval of the Relevant Supervisory Authority, the Issuer may, having given:

- (i) not less than fifteen (15) nor more than thirty (30) days' notice to the Noteholders in accordance with Condition 10 (*Notices*) (which notice shall (save as provided in Condition

6.18 (*Notices Final*) below) be irrevocable and shall specify the date fixed for redemption); and

- (ii) notice to the Fiscal Agent not less than three (3) days before the giving of the notice referred to in (i),

redeem all (but not some only) of the Notes at their Prevailing Principal Amount together with (to the extent that such interest has not been cancelled in accordance with these Conditions) any other accrued and unpaid interest to (but excluding) the date of redemption on the First Call Date or on any Interest Payment Date thereafter.

6.7 Redemption following a Gross-Up Event

Provided that the Redemption and/or Purchase Conditions are met, and subject to the Prior Approval of the Relevant Supervisory Authority, if at any time, by reason of a change in any Dutch law or regulation, or any change in the official application or interpretation thereof, becoming effective on or after the Issue Date, the Issuer would, on the occasion of the next Interest Payment Date, not be able to make such payment without having to pay Additional Amounts (a **Gross-Up Event**), the Issuer may, subject to having given:

- (i) not less than fifteen (15) nor more than thirty (30) days' notice to the Noteholders in accordance with Condition 10 (*Notices*) (which notice shall (save as provided in Condition 6.18 (*Notices Final*) below) be irrevocable and shall specify the date fixed for redemption); and
- (ii) notice to the Fiscal Agent not less than three (3) days before the giving of the notice referred to in (i),

redeem all (but not some only) of the Notes, at any time at their Prevailing Principal Amount, together with (to the extent that such interest has not been cancelled in accordance with the Conditions) any accrued and unpaid interest to (but excluding) the date fixed for redemption, provided that the due date for redemption shall be no earlier than the latest practicable Interest Payment Date on which the Issuer could make payment of principal or interest without withholding for taxes.

6.8 Redemption following a Tax Deductibility Event

Provided that the Redemption and/or Purchase Conditions are met, and subject to the Prior Approval of the Relevant Supervisory Authority, if an opinion of a recognised law firm of international standing has been delivered to the Issuer, stating that by reason of a change in Dutch law or regulation, or any change in the official application or interpretation thereof, becoming effective on or after the Issue Date, payments of interest payable by the Issuer in respect of the Notes would no longer be deductible in whole or in part, and that this cannot be avoided by the Issuer taking reasonable measures available to it at the time and that the Tax Deductibility Event does not arise as a result of a Coalition Agreement Deductibility Event (a **Tax Deductibility Event**) the Issuer may, subject to having given:

- (i) not less than fifteen (15) nor more than thirty (30) days' notice to the Noteholders in accordance with Condition 10 (*Notices*) (which notice shall (save as provided in Condition 6.18 (*Notices Final*) below) be irrevocable and shall specify the date fixed for redemption); and
- (ii) notice to the Fiscal Agent not less than three (3) days before the giving of the notice referred to in (i),

redeem all (but not some only) of the Notes, at any time at their Prevailing Principal Amount together with (to the extent that such interest has not been cancelled in accordance with the Conditions) any accrued and unpaid interest to (but excluding) the date fixed for redemption, provided that redemption will not take place before the latest practicable date on which the Issuer could make such payment with the interest payable being tax deductible in the Netherlands.

6.9 Redemption for Regulatory Reasons

Provided that the Redemption and/or Purchase Conditions are met, and subject to the Prior Approval of the Relevant Supervisory Authority, if at any time, the Issuer determines that a Regulatory Event has occurred and is continuing, or, as a result of any change in, or amendment to, or any change in the application or official interpretation of, any applicable law, regulation or other official publication, a Regulatory Event will occur within the forthcoming period of six months, then the Issuer may, subject to having given:

- (i) not less than fifteen (15) nor more than thirty (30) days' notice to the Noteholders in accordance with Condition 10 (*Notices*) (which notice shall (save as provided in Condition 6.18 (*Notices Final*) below) be irrevocable and shall specify the date fixed for redemption); and
- (ii) notice to the Fiscal Agent not less than three (3) days before the giving of the notice referred to in (i),

redeem all (but not some only) of the Notes, at any time at their Prevailing Principal Amount together with (to the extent that such interest has not been cancelled in accordance with the Conditions) any accrued and unpaid interest to (but excluding) the date fixed for redemption.

A **Regulatory Event** means that, on or after the Issue Date, (i) the Issuer and/or the Group is subject to regulatory supervision by the Relevant Supervisory Authority and (ii) as a result of any replacement of or change to the Applicable Regulations (or change to the interpretation thereof by any court, the Relevant Supervisory Authority or any other authority entitled to do so) at any time whilst any of the Notes are outstanding the whole or any part of the proceeds of such Notes can no longer be treated as Tier 1 Own Funds of the Issuer or the Group, whether on a solo, group or consolidated basis (in each case, as applicable), except where such non-qualification is only as a result of any applicable limitation on the amount of such capital.

6.10 Exchange or Variation for Regulatory Reasons

If at any time, the Issuer determines that a Regulatory Event has occurred and is continuing, or, as a result of any change in, or amendment to, or any change in the application or official interpretation of, any applicable law, regulation or other official publication, a Regulatory Event will occur within the forthcoming period of six months, the Issuer may, instead of redeeming the Notes in the manner described above, on any Interest Payment Date, without the consent of the Noteholders, (i) exchange all but not some only of the Notes for new Notes (the **Exchanged Notes**), or (ii) vary the terms of all but not some only of the Notes (the **Varied Notes**), so that in either case the aggregate nominal amount of the Exchanged Notes or Varied Notes (as the case may be) constitutes Qualifying Tier 1 Notes of the Issuer.

Any such exchange or variation requires Prior Approval of the Relevant Supervisory Authority. Such exchange or variation shall be binding on the Noteholders and shall be notified to them as soon as practicable thereafter.

6.11 Redemption for Rating Reasons

Provided that the Redemption and/or Purchase Conditions are met, and subject to the Prior Approval of the Relevant Supervisory Authority, if at any time, the Issuer determines that a Rating Methodology Event has occurred and is continuing or, as a result of a change in, or clarification to, the methodology of the Rating Agency (or in the interpretation by the Rating Agency of such methodology), a Rating Methodology Event will occur within the forthcoming period of six months, then the Issuer may, subject to having given

- (i) not less than fifteen (15) nor more than thirty (30) days' notice to the Noteholders in accordance with Condition 10 (*Notices*) (which notice shall (save as provided in Condition 6.18 (*Notices Final*) below) be irrevocable and shall specify the date fixed for redemption); and
- (ii) notice to the Fiscal Agent not less than three (3) days before the giving of the notice referred to in (i),

redeem all (but not some only) of the Notes, at any time at their Prevailing Principal Amount together with (to the extent that such interest has not been cancelled in accordance with the Conditions) any accrued and unpaid interest to (but excluding) the date fixed for redemption.

6.12 Exchange or Variation for Rating Reasons

If at any time, the Issuer determines that a Rating Methodology Event has occurred and is continuing or, as a result of a change in, or clarification to, the methodology of the Rating Agency (or in the interpretation by the Rating Agency of such methodology), a Rating Methodology Event will occur within the forthcoming period of six months, the Issuer may, instead of redeeming the Notes in the manner described above, on any Interest Payment Date, without the consent of Noteholders, (i) exchange all but not some only of the Notes for Exchanged Notes, or (ii) vary the terms of all but not some only of the Notes, so that they become or remain, Rating Agency Compliant Notes.

Any such exchange or variation requires Prior Approval of the Relevant Supervisory Authority. Such exchange or variation shall be binding on the Noteholders and shall be notified to them as soon as practicable thereafter.

6.13 Clean-up Redemption

Provided that the Redemption and/or Purchase Conditions are met, and subject to the Prior Approval of the Relevant Supervisory Authority, the Issuer may at any time after the Issue Date, subject to having given

- (i) not less than fifteen (15) nor more than thirty (30) days' notice to the Noteholders in accordance with Condition 10 (*Notices*) (which notice shall (save as provided in Condition 6.18 (*Notices Final*) below) be irrevocable and shall specify the date fixed for redemption); and
- (ii) notice to the Fiscal Agent not less than three (3) days before the giving of the notice referred to in (i),

elect to redeem all, but not some only, of the Notes at their Prevailing Principal Amount together with (to the extent that such interest has not been cancelled in accordance with the Conditions) any accrued and unpaid interest to (but excluding) the date fixed for redemption if 80% (eighty per cent) or more of the Notes originally issued (including any further issues pursuant to Condition 13 (*Further Issues*)) has been purchased and cancelled at the time of such election (a **Clean-up Call**).

6.14 Exchange or Variation for Alignment Reasons

If at any time, the Issuer determines that an Alignment Event has occurred and is continuing, or, as a result of any change in, or amendment to, or any change in the application or official interpretation of, any applicable law, regulation or other official publication, an Alignment Event will occur within the forthcoming period of six months, the Issuer may, on any Interest Payment Date, without the consent of the Noteholders, (i) exchange all but not some only of the Notes for Exchanged Notes, or (ii) vary the terms of all but not some only of the Notes (the **Varied Notes**), to align the relevant provision(s) that have become available to the Issuer due to the occurrence of the Alignment Event, provided that in either case the aggregate nominal amount of the Exchanged Notes or Varied Notes (as the case may be) constitutes Qualifying Tier 1 Notes of the Issuer.

Any such exchange or variation requires Prior Approval of the Relevant Supervisory Authority. Such exchange or variation shall be binding on the Noteholders and shall be notified to them as soon as practicable thereafter.

6.15 Preconditions to redemption, exchange, variation or purchase

- (i) Prior to the publication of any notice of redemption, variation, exchange or purchase pursuant to this Condition 6, the Issuer shall deliver to the Fiscal Agent a certificate signed by two (2) members of the Executive Board stating that, as the case may be, the Issuer is entitled to redeem, exchange or vary the Notes on the grounds that a Tax Deductibility Event, a Gross-Up Event, a Regulatory Event, a Rating Methodology Event or an Alignment Event has occurred and is continuing as at the date of the certificate or, as the case may be (in the case of a Regulatory Event or a Rating Methodology Event or an Alignment Event), will occur within a period of six (6) months and that it would have been reasonable for the Issuer to conclude, judged at the Issue Date, that such Tax Deductibility Event, Gross-Up Event, Regulatory Event, Rating Methodology Event or Alignment Event was unlikely to occur.
- (ii) The Issuer shall not be entitled to amend or otherwise vary the terms of the Notes or exchange the Notes unless:
 - (a) it has notified the Relevant Supervisory Authority in writing of its intention to do so; and
 - (b) it has obtained the Prior Approval of the Relevant Supervisory Authority in respect of such proposed amendment, variation or exchange.

6.16 Purchases

The Issuer or any of its affiliated entities may at any time, subject to the Prior Approval of the Relevant Supervisory Authority and the Redemption and/or Purchase Conditions being met prior to, and at the time of, such purchase, purchase Notes in the open market or otherwise at any price. All Notes purchased by or on behalf of the Issuer or of its subsidiaries may be held, reissued, resold or, at the option of the Issuer and the relevant purchaser, surrendered for cancellation to the Fiscal Agent but whilst held may not be treated as outstanding for various purposes set out in the Agency Agreement.

6.17 Cancellations

All Notes redeemed or exchanged by the Issuer pursuant to this Condition 6, and all Notes purchased and surrendered for cancellation pursuant to Condition 6.16 (*Purchases*), will forthwith

be cancelled. Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

6.18 Notices Final

Subject and without prejudice to Conditions 6.2 (*Conditions to Redemption and/or Purchase*) and 6.4 (*Deferral of Redemption*), any notice of redemption as is referred to in this Condition 6 shall be irrevocable and on the redemption date specified in such notice the Issuer shall be bound to redeem, or as the case may be, vary or exchange, the Notes in accordance with the terms of the relevant Condition.

7. PRINCIPAL LOSS ABSORPTION

7.1 Write-Down upon Trigger Event

A **Trigger Event** shall be deemed to have occurred if, at any time, at the determination of the Issuer the amount of Own Fund Items (or any equivalent terminology employed by the Applicable Regulations) of the Issuer on a consolidated basis eligible to cover:

- (a) the Solvency Capital Requirement is equal to or less than 75 per cent. of the Solvency Capital Requirement; or
- (b) the Minimum Capital Requirement is equal to or less than the Minimum Capital Requirement; or
- (c) the Solvency Capital Requirement of the Issuer has been equal to or less than the Solvency Capital Requirement for a continuous period of three months (commencing on the date on which non-compliance with such Solvency Capital Requirement was first observed).

If a Trigger Event pursuant to (a), (b) or (c) above has occurred, the Issuer shall inform the Relevant Supervisory Authority thereof and deliver a Write-Down Notice to the Noteholders and to the Irish Stock Exchange in accordance with Condition 10 (*Notices*) as soon as practicable after such event.

7.2 Write-Down procedure

If a Trigger Event occurs:

- (i) any interest which is accrued and unpaid up to (and including) the Write-Down Date (whether or not such interest has become due for payment) shall be automatically cancelled (it being specified that such cancellation shall not constitute a default or event of default of the Issuer for any purpose); and
- (ii) the Issuer shall promptly (and without the need for the consent of the Noteholders) write-down the Notes by reducing the Prevailing Principal Amount by the Write-Down Amount (such action a **Write-Down** and **Written Down** being construed accordingly).

Any such Write-Down shall be applied in respect of each Note equally. Any such part of the Initial Principal Amount will be written down on a permanent basis and cancelled.

A Write-Down of the Notes shall not constitute a default or event of default in respect of the Notes or a breach of the Issuer's obligations or duties or a failure to perform by the Issuer in any manner whatsoever, and shall not entitle Noteholders to petition for the insolvency or dissolution of the Issuer or to take any other action.

Following a Write-Down, Noteholders will be automatically deemed to waive irrevocably their rights to receive, and no longer have any rights against the Issuer with respect to, any principal amount by which the Notes have been Written-Down.

A Write-Down may occur on one or more occasions following each Write-Down Testing Date and each Note may be Written-Down on more than one occasion. Accordingly, if, after a Write-Down, a Trigger Event pursuant to Condition 7.1(c) occurs at any Write-Down Testing Date, a further Write-Down shall be required.

To the extent that the Prevailing Principal Amount of the Notes has been Written-Down, interest shall accrue on such reduced Prevailing Principal Amount in accordance with these Conditions as from the relevant Write-Down Date.

In addition, if the write-down of, or, as the case may be, conversion of any Loss Absorbing Tier 1 Instrument of the Issuer is not, or by the relevant Write-Down Date will not be, effective:

- 1) the ineffectiveness of any such reduction or, as the case may be, conversion shall not prejudice the requirement to effect a reduction to the Prevailing Principal Amount pursuant to this Condition; and
- 2) the write-down of, or, as the case may be, conversion of any such Loss Absorbing Tier 1 Instrument which is not, or by the Write-Down Date will not be, effective shall not be taken into account in determining such reduction of the Prevailing Principal Amount.

To the extent permitted by the Applicable Regulations that apply at the time of a Trigger Event, Write-Down may be exceptionally waived by the Relevant Supervisory Authority to the extent that Write-Down would significantly weaken the solvency position of the Issuer or the Group.

8. TAXATION

8.1 Payment without withholding

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed or levied by or on behalf of the Netherlands or any political subdivision thereof unless the withholding or deduction of the Taxes is required by law. In any such event, the Issuer will pay such additional amounts in respect of Interest Payments but not in respect of any payments of principal (**Additional Amounts**) as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been received in respect of the Notes or Coupons, as the case may be, in the absence of the withholding or deduction; except that no Additional Amounts shall be payable in relation to any payment in respect of any Note or Coupon:

- (a) the holder of which is liable to the Taxes in respect of the Note or Coupon by reason of his having some connection with the Netherlands other than the mere holding of the Note or Coupon; or
- (b) surrendered for payment (where surrender is required) in the Netherlands; or
- (c) in circumstances where such withholding or deduction would not be required if the holder or any person acting on his behalf had obtained and/or presented any form or certificate or had made a declaration of non-residence or similar claim for exemption to the relevant tax authority upon the making of which the holder would have been able to avoid such

withholding or deduction; or

- (d) surrendered for payment (where surrender is required) more than thirty (30) days after the Relevant Date except to the extent that a holder would have been entitled to Additional Amounts on surrendering the same for payment on the last day of the period of thirty (30) days assuming (whether or not such is in fact the case) that day to have been a Business Day.

The Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service (**FATCA Withholding**) as a result of a Noteholder, Couponholder, beneficial owner or an intermediary that is not an agent of the Issuer not being entitled to receive payments free of FATCA Withholding. The Issuer will have no obligation to pay Additional Amounts or otherwise indemnify an investor for any such FATCA Withholding deducted or withheld by the Issuer, any Paying Agent or any other party.

As used herein, the **Relevant Date** means the date on which the payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Fiscal Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 10 (*Notices*).

8.2 Additional amounts

Any reference in these Conditions to any amounts payable in respect of the Notes shall be deemed also to refer to any Additional Amounts which may be payable under this Condition.

9. NO EVENTS OF DEFAULT

There will be no events of default in respect of the Notes. However, each Note shall become immediately due and payable at its Prevaling Principal Amount, together with accrued interest thereon, if any, to the date of payment in the case of the liquidation of the Issuer. Liquidation may occur as a result of the winding-up of the Issuer (*ontbinding en vereffening*), bankruptcy (*faillissement*) of the Issuer, the suspension of payments (*surseance van betaling*) being applied to the Issuer or emergency regulations (*noodregeling*) in either case if that constitutes a liquidation.

10. NOTICES

Notices to Noteholders will be valid if published in the English language in a leading newspaper having general circulation in the Netherlands (which is expected to be *Het Financieele Dagblad*). So long as the Notes are listed on the Official List of the Irish Stock Exchange and the rules of such stock market so require, notices shall also be published through a press release which will also be made available on the website of the Issuer (www.vivat.nl) or the Irish Stock Exchange's website, www.isedirect.ie. If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe.

Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication. Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this Condition.

Until such time as any definitive Notes are issued, there may (provided that, in the case of any publication required by a stock exchange, the rules of the stock exchange so permit), so long as the global Note is held in its entirety on behalf of the Notes Settlement System, be substituted for publication in some or all of the newspapers referred to above, the delivery of the relevant notice to the Notes Settlement System for communication by it to the Noteholders, provided that for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will also be published in the manner required by those rules. Any such notice shall be deemed to have been given to the Noteholders on the day on which the said notice was given to the Notes Settlement System.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Fiscal Agent. Whilst any of the Notes are represented by a global Note, such notice may be given by any Noteholder to the Fiscal Agent via the Notes Settlement System in such manner as the Fiscal Agent and the Notes Settlement System may approve for this purpose.

11. PRESCRIPTION

Claims against the Issuer for the payment of principal and interest in respect of Notes will become void unless presented for payment within a period of five (5) years from the appropriate relevant due date for payment thereof.

Any Coupon sheet issued on exchange of a Talon shall not include any Coupon which payment claim would be void pursuant to this Condition or Condition 5.5 or any Talon which would be void pursuant to Condition 5.5 (*Deduction for unmatured Coupons*).

12. MEETINGS OF HOLDERS AND MODIFICATION

12.1 Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider matters relating to the Notes, including the sanctioning by an Extraordinary Resolution of a modification of the Notes, the Coupons or certain provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than 5 per cent. in Prevailing Principal Amount outstanding at such time. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in Prevailing Principal Amount outstanding at such time, or at any adjourned meeting one or more persons being or representing Noteholders whatever the Prevailing Principal Amount outstanding at such time so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or Coupons (including modifying any date for payment of principal or interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or Coupons), the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, in Prevailing Principal Amount outstanding at such time. An Extraordinary Resolution passed at any meeting of Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Couponholders.

Convening notices shall be made in accordance with Condition 10 (*Notices*).

The Agency Agreement provides that, if authorised by the Issuer, a resolution in writing signed by or on behalf of the Noteholders of not less than 75 per cent. in Prevailing Principal Amount outstanding at such time shall for all purposes be as valid and effective as an extraordinary

resolution passed at a meeting of Noteholders duly convened and held, provided that the terms of the proposed resolution have been notified in advance to the Noteholders through the Notes Settlement System. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

Resolutions of Noteholders will only be effective if such resolutions have been approved by the Issuer and, if so required, by the Relevant Supervisory Authority.

12.2 Modification

Subject to obtaining the Prior Approval of the Relevant Supervisory Authority if so required, the Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of, or any failure to comply with, the Agency Agreement if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

The Agency Agreement or these Conditions may be amended by the Issuer and the Fiscal Agent, without the consent of any Paying Agent, Calculation Agent or Noteholder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein and which does not adversely affect the interests of the Noteholders.

13. FURTHER ISSUES

The Issuer may from time to time without the consent of the Noteholders create and issue Notes, having terms and conditions the same as those of the Notes, except for the amount and date of the first payment of interest, which may be consolidated and form a single series with the outstanding Notes.

14. GOVERNING LAW AND JURISDICTION

The Notes, and all non-contractual obligations arising out of or in connection with them, are governed by and shall be construed in accordance with the laws of the Netherlands.

Any action against the Issuer in connection with the Notes will be submitted to the exclusive jurisdiction of the competent courts in Amsterdam, the Netherlands.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE REPRESENTED BY THE GLOBAL NOTES

The Agency Agreement, the Temporary Global Note and the Permanent Global Note contain provisions which apply to the Notes while they are in global form, some of which modify the effect of the Terms and Conditions set out in this Offering Memorandum. The following is a summary of certain of those provisions:

1 Exchange

On or after the day following the expiry of 40 days after the date of issue of the Temporary Global Note, VIVAT shall procure the delivery of the Permanent Global Note in substantially the form set out in the Agency Agreement. The Permanent Global Note will become exchangeable, in whole but not in part only and at the request of the bearer of the Permanent Global Note, for definitive Notes in substantially the form set out in the Agency Agreement if either of the following events occurs:

- (a) Closure of clearing systems: Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearing system is available;
- (b) an enforcement event (as set out in Condition 9 (No Events of Default)) has occurred and is continuing; or
- (c) Payment of additional amounts: VIVAT has or will become obliged to pay additional amounts as provided for or referred to in Condition 8 (Taxation) which would not be required were the Notes represented in definitive form.

Whenever the Permanent Global Note is to be exchanged for definitive Notes, VIVAT shall procure the prompt delivery (free of charge to the bearer) of such definitive Notes, duly authenticated and with Coupons and Talons attached, in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

2 Payments

The bearer of the Temporary Global Note will not be entitled to receive any payment of interest due on or after the exchange date thereof unless, upon due certification, exchange of the Temporary Global Note is improperly withheld or refused. Payments due in respect of Notes for the time being represented by the Permanent Global Note shall be made to the bearer of this Permanent Global Note and each payment so made will discharge VIVAT's obligations in respect thereof.

Upon any payment in respect of the Notes represented by this Permanent Global Note, VIVAT shall procure that the amount so paid shall be entered pro rata in the records of the relevant clearing systems. In the case of any payment of principal, VIVAT shall procure that the amount so paid shall be entered pro rata in the records of the relevant clearing systems and, upon any such entry being made, the principal amount of the Notes recorded in the records of the relevant clearing systems and represented by the Permanent Global Note shall be reduced by the amount so paid. Any failure to make such entries shall not affect the discharge referred to in the previous paragraph.

VIVAT's obligation to pay principal and interest on the Notes is discharged once it has paid the Paying Agent and/or Euroclear and Clearstream, Luxembourg (as bearers of the Notes), and VIVAT has therefore no responsibility for any withholding or deduction on payments made thereafter through or by the Paying

Agent, Euroclear and Clearstream (Luxembourg), custodians or intermediaries.

3 Notices

Notwithstanding Condition 10 (Notices), while all the Notes are represented by a Global Note and such Global Note is deposited with a common safekeeper on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 10 (Notices) on the date of delivery to Euroclear and Clearstream, Luxembourg.

4 Meetings

The holder of a Global Note shall (unless such Global Note represents only one Note) be treated as two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, as having one vote in respect of each EUR 1,000 in principal amount of Notes.

5 Cancellation

Cancellation of any Note represented by a Global Note and required by the Terms and Conditions to be cancelled following its redemption or purchase will be effected by instruction to Euroclear and Clearstream, Luxembourg to make appropriate entries in their records in respect of all Notes which are cancelled.

6 Electronic Consent and Written Resolution

While any Global Note is held on behalf of a relevant Clearing System, then:

- (a) approval of a resolution proposed by VIVAT given by way of electronic consents communicated through the electronic communications systems of the relevant Clearing System(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 90% in nominal amount of the Notes outstanding (an "**Electronic Consent**" as defined in the Agency Agreement) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the Special Quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons whether or not they participated in such Electronic Consent; and
- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Agency Agreement) has been validly passed, VIVAT shall be entitled to rely on consent or instructions given in writing directly to VIVAT by accountholders in the clearing system with entitlements to such Global Note or, where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries and provided that, in each case, VIVAT obtained commercially reasonable evidence to ascertain the validity of such holding and has taken reasonable steps to ensure that such holding does not alter following the giving of such consent or instruction and prior to the effecting of such amendment. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. As used in this paragraph, commercially reasonable evidence includes any certificate or other document issued by Euroclear, Clearstream, Luxembourg or any other relevant clearing system, or issued by an accountholder of them or an intermediary in a holding chain, in relation to the holding of interests in the Notes. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding

for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. VIVAT shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

USE OF PROCEEDS

The net proceeds from the issue of the Notes will be applied by the VIVAT Group to refinance existing indebtedness. Any remaining proceeds will be applied for general corporate purposes.

INFORMATION ABOUT VIVAT AND BUSINESS OVERVIEW

General

VIVAT is a public limited liability company (*naamloze vennootschap*) established under the laws of the Netherlands and incorporated on 28 December 1990 as Reaal Verzekeringen N.V. VIVAT is formerly known as REAAL N.V. In 2015, REAAL N.V. was renamed to VIVAT N.V. VIVAT is registered at the Trade Register of the Chamber of Commerce (*handelsregister van de Kamer van Koophandel*) under number 30099450 with VIVAT N.V., REAAL, REAAL Verzekeringen, REAAL Volmacht College, REAAL College, VIVAT, VIVAT Verzekeringen, Reaal, Reaal College, Reaal Verzekeringen, Reaal Volmacht College and nowgo as its commercial names (*handelsnamen*). Its registered office is at Burgemeester Rijnderslaan 7, 1185 MD Amstelveen, the Netherlands. The telephone number of VIVAT is +31 (0)30 291 5915.

The articles of association of VIVAT were last amended by notarial deed executed on 26 July 2015. According to article 2 of VIVAT's articles of association, the objects of VIVAT are (a) to participate in, to co-operate with, to conduct management of and to grant advices and other services to legal entities and/or other businesses, including in particular legal entities and/or other business in the field of insurances, (b) to invest capital in properties, securities and other assets, (c) to provide security for the debts of legal persons or of other legal entities or persons, including group companies, and (d) all activities which are incidental to or which may be conducive to any of the foregoing.

As of 31 March 2018, the authorised share capital of VIVAT amounts to EUR 1,192,500 which is divided in 2,385 ordinary shares with a nominal value of EUR 500 each. 477 shares (20%) are issued and outstanding. As of 30 September 2017, the sole shareholder of VIVAT is Anbang, which owns all issued and outstanding shares (477 fully paid up shares). VIVAT operates as a standalone Dutch insurance company within the Anbang group of companies, with Anbang as its sole shareholder.

For more information on the VIVAT Group please see www.vivat.nl (including press releases, governance, strategy etc.).

History

For the sake of consistency, in this Offering Memorandum, the term "VIVAT N.V." is used also when referring to the period before the name-change of REAAL N.V. into VIVAT N.V. on 26 July 2015 and consequently, in such instances, this term should be read as referring to "REAAL N.V.". SNS REAAL N.V. was renamed to SRH N.V. on 30 September 2015. For the sake of consistency, in this Offering Memorandum, reference will be made to SRH N.V. when referring both to the period before the name change and after the name change. SNS Bank N.V. was renamed to de Volksbank N.V. ("**Volksbank**") on 1 January 2017. For the sake of consistency, in this history description, reference will be made to Volksbank when referring both to the period before the name change and after the name change.

Description of History

VIVAT's history dates back to the beginning of the 20th century when two insurance companies, Concordia and De Centrale, were founded. These two companies were closely related to two trade unions and merged in 1990 after the merger of these trade unions and formed the REAAL group together with several small banks. During the 1990s, the REAAL group, which was partially owned by the trade union, grew significantly through acquisitions of Proteq and the Alkmaar based insurance company Hooge Huys.

In 1997, the saving banking group SNS merged with REAAL into SRH N.V. (formerly known as SNS

REAAL N.V.). The company was listed on the stock exchange in 2006. SRH N.V. grew significantly through major acquisitions in 2006 and 2007 as it acquired property finance activities, Regiobank within the banking arm and the Dutch insurance activities of Axa (which itself was a product of various acquisitions) and Swiss Life (Zwitserleven) into the insurance arm of SRH N.V. The legal structure of all insurance entities was simplified such that all life activities except for the activities within Proteq Levensverzekeringen N.V. were merged into the legal entity SRLEV N.V., and all non-life insurance activities were merged into Reaal Schadeverzekeringen N.V., reducing the number of regulated insurance entities to three.

From 2009 onwards rising losses at SNS Property Finance B.V. put increasing pressure on Volksbank's results and solvency. This ultimately led to the nationalisation of SRH N.V. and its subsidiaries on 1 February 2013.

The insurance activities were disentangled from the holding company SRH N.V. and transferred on 26 July 2015 under the name VIVAT to Anbang, a Chinese insurance group. Reaal Schadeverzekeringen N.V. was renamed VIVAT Schadeverzekeringen N.V. in 2018.

Nationalisation of SRH N.V. (formerly known as SNS REAAL N.V.)

Nationalisation

In January 2013, DNB found that the capital position of Volksbank, a direct subsidiary of SRH N.V., was insufficient to cover the company's current and possible future risks. The financial situation of SNS Property Finance B.V., a direct subsidiary of Volksbank (which was a sister company of VIVAT), was an important cause of the capital deficit of Volksbank. Volksbank came up with a plan by 31 January 2013 to improve Volksbank's capital position and to supplement the capital deficit.

On 1 February 2013, DNB found that Volksbank's proposal offered insufficient certainty that the capital deficit could be addressed in the short term. DNB did not consider it sound for Volksbank to continue carrying on its banking operations. The Minister of Finance, consequently, concluded that the stability of the financial system was placed at serious and imminent risk. On 1 February 2013, the Minister issued a decree (the "**Decree**") pursuant to sections 6:2 and 6:4 of the DFSA and nationalised SRH N.V.

Following the nationalisation, on 19 August 2013, the State of the Netherlands (the "**State**") filed a plan on the restructuring of SRH N.V. with the EC. The key elements of the restructuring plan include the sale of VIVAT (known as REAAL N.V. at the time) and its subsidiaries and the sale of ACTIAM. On 19 December 2013, the EC gave final approval on the restructuring plan pursuant to which the State was committed *vis-à-vis* the EC to execute the measures set out in the restructuring plan. By way of preparation for the divestment of VIVAT and its subsidiaries, SRH N.V. undertook to gradually disentangle the banking and the insurance businesses.

Shareholder: Anbang Group Holdings Co. Limited

On 16 February 2015, SRH N.V. announced the sale of VIVAT (known as REAAL N.V. at the time) and its subsidiaries including ACTIAM to Anbang, an indirect subsidiary of Anbang Insurance Group Co., Ltd. ("**Anbang Insurance Group**"). Completion of the sale was subject to regulatory approvals in the Netherlands and China being obtained. On 26 July 2015, it was announced that the regulatory approvals were obtained and that the sale was completed. Upon the sale, REAAL N.V., the statutory name of VIVAT at the time, was renamed VIVAT N.V.

Anbang is an investment company based in Hong Kong. Its main scope of business is investment holding. Anbang Insurance Group, is a leading insurance company based in Beijing (China) with more than 30,000 employees and 3,000 branches and a network that covers 31 provinces and autonomous regions within China. It provides a comprehensive range of financial and insurance services and products to more than twenty million customers, including property and casualty insurance, life insurance, health insurance, pensions, asset management, financial leasing and banking. Besides Anbang, it holds a number of subsidiaries including: Anbang Property & Casualty Insurance Co., Ltd, Anbang Life Insurance Co., Ltd, Hexie Health Insurance Co., Ltd, Anbang Pension Insurance Co., Ltd, Hexie Insurance Sales Co., Ltd, Ltd, Anbang Asset Management Co., Ltd, Anbang Asset Management (Hong Kong) Co., Ltd, AB Leasing Co., Ltd, Tongyang Life Insurance Co., Ltd., Fidea NV, VIVAT and Bank Nagelmackers NV (including its holding company Anbang Belgium Holding NV). On 23 February 2018, the China Insurance Regulatory Commission announced it was carrying out interim management of Anbang Insurance Group for an interim period, starting 23 February 2018 and ending on 22 February 2019. An interim management working group was appointed. On 4 April 2018, the interim management working group announced that on 28 March 2018, the China Insurance Security Fund (the "**CISF**") had injected capital into Anbang Insurance Group and that the CISF would temporarily hold shares in Anbang Insurance Group. The interim management working group also announced that Anbang Insurance Group would start selecting strategic shareholders to introduce private investors with a strong capital position, distinct core business, sound investment philosophy and strong operational track record to participate in its equity restructuring. On 28 May 2018, the interim management working group released a statement saying that Anbang Insurance Group is committed to the healthy development of all its overseas subsidiaries and that it currently has no plans to sell off overseas assets and no specific timetable for optimising these assets.

Anbang, as the sole shareholder of VIVAT, has the option to influence the strategy of the VIVAT Group by appointing members of VIVAT's executive board (*raad van bestuur*) (the "**Executive Board**") upon a binding nomination of VIVAT's supervisory board (*raad van commissarissen*) (the "**Supervisory Board**"). The members of the Supervisory Board are appointed by Anbang upon nomination of the Supervisory Board, which nomination should include candidates recommended by Anbang for no less than 49% of the total number of Supervisory Board members. The Executive Board, representing VIVAT as shareholder of VIVAT's subsidiaries, may appoint the executive boards and supervisory boards of such subsidiaries (which, in case of SRLEV, VIVAT Schadeverzekeringen and Proteq, requires VIVAT to obtain the approval of Anbang). Currently, the composition of the Executive Board and of the Supervisory Board of VIVAT is identical to the composition of the executive boards and supervisory boards of VIVAT's subsidiaries SRLEV, VIVAT Schadeverzekeringen and Proteq Leven. The members of the Executive Board and of the Supervisory Board ensure due consideration of Anbang's interest in performing their function (within the limits of their statutory duty to perform their duties in the interest of VIVAT and the business connected with it, thereby taking into account the interests of all relevant stakeholders of VIVAT and not exclusively the interests of Anbang as VIVAT's sole shareholder). See also "*Corporate Governance*" for more information.

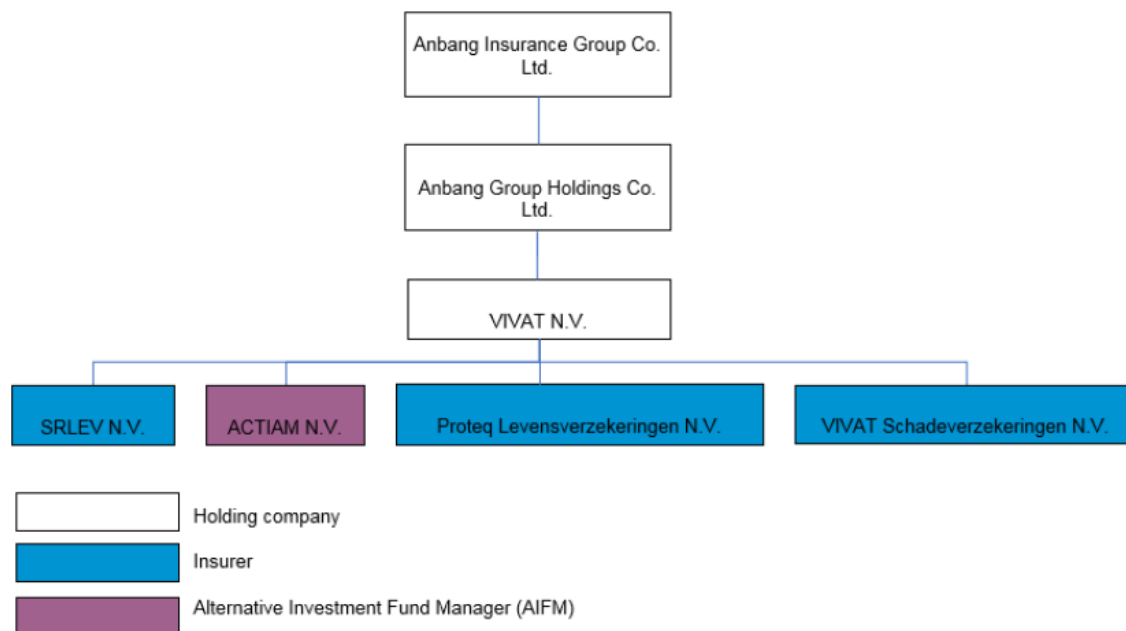
After the acquisition, the VIVAT Group received a EUR 1.35 billion equity capital injection (2015) from Anbang and subsequently a total of EUR 302 million and USD 190 million (2016) from Anbang by way of subordinated (Tier 2) loans to strengthen the capital position, refinance existing subordinated loans and support future growth initiatives. The subordinated (Tier 2) loans provided by Anbang were repaid by the VIVAT Group in November 2017.

From an operational perspective, the VIVAT Group is not reliant on Anbang for (and does not share with Anbang or any companies within the Anbang group of companies) any resources or processes such as IT systems, servers and administrative services. Nevertheless, the VIVAT Group and other entities within

the Anbang group of companies may cooperate in the operation of their businesses in order to benefit from any synergies found.

Organisational Structure

The chart below provides an overview of the main structure and material entities within the VIVAT Group. This overview does not aim to provide a complete overview of the VIVAT Group.



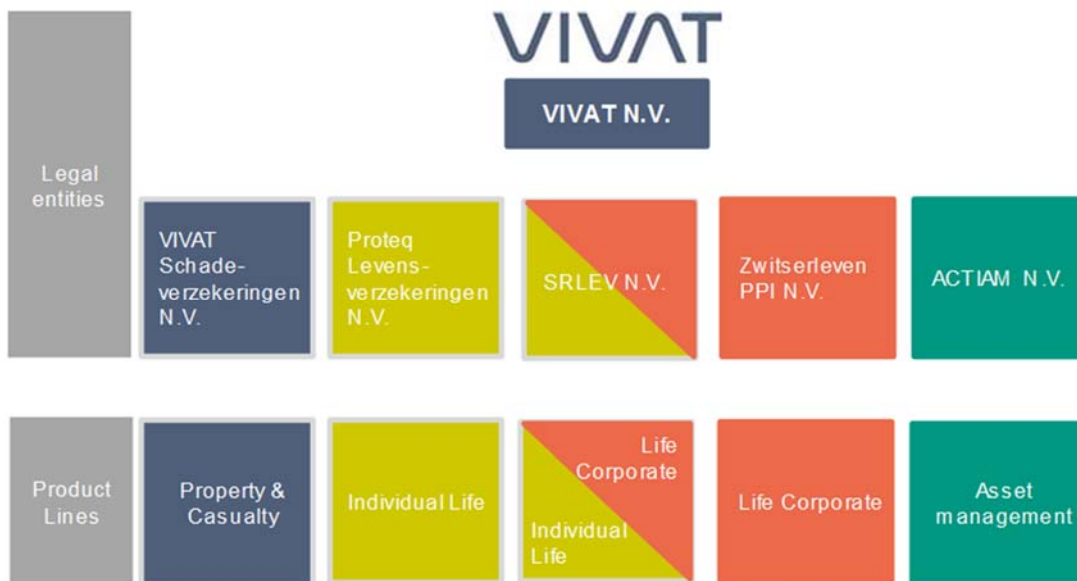
The VIVAT Group is organised into product lines. Please refer to "Information about VIVAT and Business Overview – Business" for further information on the product lines, products and brands of the VIVAT Group.

Business

Overview

Having generated EUR 2,923 million in gross written insurance premiums in 2017, the VIVAT Group is one of the largest insurance companies in the Netherlands in the non-life and life insurance segments (measured by gross written premiums, source: data individual insurers provided by DNB). VIVAT is a holding company with no material, direct business operations, but does employ all personnel and services of the business with staff support. It is envisaged that VIVAT will start providing IT support to other subsidiaries of its parent company in the near future.

The VIVAT Group is organised into four product lines. The chart below translates the product lines structure into the legal structure of the VIVAT Group.



Product Lines

The VIVAT Group is organised in the following product lines: Property & Casualty ("**P&C**"), Individual Life, Life Corporate and Asset Management. All digital activities, which previously were placed in different parts of the organisation, have been centralised in a Digital department that will focus on the development of a new digital channel.

Property & Casualty

P&C offers a wide range of non-life products through authorised agents, intermediaries, co-assurance, Volksbank N.V. and direct channel distribution for the private non-life segment.

The products offered by P&C can be categorised into the segments:

- Motor: roadside liability and vehicle insurances for private cars, trucks, motorbikes and other motorised vehicles;
- Fire: property insurances which includes insurances for buildings and contents against fire, storm and other risks;
- Accident and Health: includes disability and accident insurances;
- Transport: Insurances for transportation companies and the goods that they transport; and
- Other: among others, liability, legal aid and travel insurance.

P&C distributes through four main brands:

- Reaal;
- Zelf: an online insurer;
- Proteq Dier & Zorg: exclusively offers healthcare insurance for pet dogs and cats. VIVAT believes that this brand is the market leader in the Netherlands in the market for pet dogs and cats (measured in gross written premiums); and
- Route Mobiel: Route Mobiel offers mobility-related insurance: roadside assistance, travel, motor. VIVAT believes that it is the second roadside assistance organisation in the Netherlands (measured in gross written premiums).

Individual Life

Individual Life offers individual life insurance products, comprising both single and regular life premium products. Individual Life includes Proteq and the individual life portfolio of SRLEV. Individual Life focuses on term life insurance, where VIVAT believes that it ranks constantly high in new production market share. Individual Life is the third largest player by market share in the individual life insurance market (measured in gross written premiums, source: data individual insurers provided by DNB). Individual Life's clients are private individuals in the Netherlands.

The clients are traditionally served through intermediaries, the brand Reaal, the brand Proteq Direct, Volksbank and 'direct channel distribution'. 'Direct channel distribution' was introduced in September 2014 and created an 'omni-channel concept' for the benefit of clients. The 'omni-channel concept' entails that the customer is in the driver's seat of the sales process and has the option to switch from the intermediary to the direct channel and vice versa during the purchasing process. To date, the ability to switch between direct and indirect customer servicing is unique in the Netherlands. With the aim to improve the quality of its service, VIVAT intends to concentrate on close cooperation with a smaller group of distribution partners that can offer high quality services. In this context, the continued cooperation with Volksbank as a distribution partner is important. Volksbank is the fourth largest banking network in the Netherlands with 197 branches and 528 independent advisors (source: Volksbank annual report 2017).

Life Corporate

Life Corporate offers pension products (group life insurance), comprising both single and regular premium products and services (*i.e.*, administration) in collaboration with specialised intermediaries and actuarial consultants. Life Corporate also offers products and services through its website (zwitserleven.nl). Life Corporate includes the group life portfolios of SRLEV and Zwitserleven PPI N.V. Life Corporate focusses on the full spectrum of the employers market and has client bases in the retail, director-owner, small and medium-sized enterprises and corporate client segment.

Life Corporate aims at the higher end of the market where it historically provided high quality service and customisation of offerings. The brand (Zwitserleven), personal advice and high quality support are considered key qualities. VIVAT believes that Life Corporate ranks second in the insurance market regarding brand recognition, brand consideration and preference. Life Corporate is one of the five largest players in the group life insurance market (measured by gross written premiums, source: data individual insurers provided by DNB).

Asset Management

Asset Management operates under the brand name ACTIAM. ACTIAM qualifies as a manager (*beheerder*) of alternative investment funds. With around 100 employees, ACTIAM manages alternative investment funds structured as funds for joint account (*fonds voor gemene rekening*) or as investment companies with variable capital (*beleggingsmaatschappij met veranderlijk kapitaal*). ACTIAM provides: (i) alternative investment funds to investors through (affiliated and non-affiliated) distribution partners and through direct distribution via the brand ACTIAM; (ii) a full range of asset management services to institutional customers; (iii) portfolio management (administration) to a selected group of partners; and (iv) starting mid 2018 an online direct distribution platform aimed at retail clients under the Zwitserleven brand. ACTIAM intends to expand internationally with its strong propositions in Impact Investing, responsible investment funds and investment solutions. To this end, ACTIAM is amongst others setting up activities in Luxembourg to allow for the management and distribution of Luxembourg domiciled UCITS and AIFMD funds.

As per 31 December 2017, ACTIAM had EUR 54.1 billion of assets under management. The majority of assets under ACTIAM's management are VIVAT own account assets and assets of the other product lines

of VIVAT, which together represented 79% of total assets under management as at 31 December 2017. ACTIAM mainly invests in Euro government bonds, Euro credit, European equities and tracks global equities indexes. ACTIAM cooperates with external managers for specialist asset classes such as U.S., Asian and emerging markets equities, leveraged loans, emerging markets debt and high yield bonds. VIVAT notes that ACTIAM is the sixth largest alternative investment fund provider for Dutch retail investors, with a market share of 6.1% as of 30 June 2017 (measured in assets under management). As of 1 July 2017, ACTIAM appointed BNP Paribas Securities Services as service provider for middle and back office asset management operations, fund and investment accounting and reporting services.

Strategic Objectives

General

At the time of signing of the share purchase agreement relating to the sale of shares in VIVAT (known as REAAL N.V. at the time) to Anbang, Anbang publicly expressed that it plans to have long-term presence in the Netherlands and was willing and able to provide the capital to the VIVAT Group that is required to build a strong, sustainable, and profitable long-term market position (see press release of 16 February 2015, "SNS REAAL announces sale VIVAT Verzekeringen to Anbang Insurance Group"). Establishing this position would enable the VIVAT Group to be more competitive, efficient, and profitable. As set out in the letter from the Minister to the Chairman of Parliament of 16 February 2015 and the letter from the Minister to the Chairman of Parliament of 9 March 2015, the acquisition of VIVAT will provide Anbang:

- access to multiple insurance sectors and distribution channels in the Netherlands;
- an exchange of best practices between the Chinese and European insurance markets; and
- synergies within the Anbang network.

On 23 February 2018, the CIRC announced it was taking control of Anbang Group for an interim period, starting 23 February 2018 until 22 February 2019. An interim management group was appointed.

On 4 April 2018, the interim management group appointed to Anbang Group announced that on 28 March 2018, the China Insurance Security Fund (CISF) had injected capital into Anbang and that CISF would temporarily hold shares in Anbang during the phase of interim management. Lastly, they announced Anbang would start selecting strategic shareholders to introduce private investors.

Reaching the above mentioned goals required a strategic plan for the VIVAT Group that was based on two pillars:



Pillar I: Create a sustainable, standalone position

The VIVAT Group has a strong portfolio of businesses and customers but required capital in the short term to revitalise its financial position and to finance management decisions aimed at restoring profitability. Anbang invested in the VIVAT Group to achieve these goals and to increase the Solvency II ratio to at least 140%-150%. In addition to the capital injection by Anbang, further measures were implemented to stabilise the business following a strategic review. As an outcome of this strategic review a new organisational model was implemented in 2016 with fewer layers, enforcing fast decision making. Also a major reorganisation was carried through, resulting in a workforce that is reduced by one-third. Furthermore a start has been made to optimise the investment portfolio following a period of de-risking before the acquisition by Anbang. This is expected to result in a higher investment income.

VIVAT is shifting away from handling IT matters itself in favour of outsourcing in areas of the consumer value chain where VIVAT is less distinctive. VIVAT assesses how the required functionalities in that value chain can be purchased or outsourced as components. VIVAT performs risk assessments for new outsourcing initiatives, the results of which are reflected in the contracts with outsourcing partners. A good supplier management is set up in order to maintain the desired level of control over outsourcing.

Pillar II: Accelerate profitable growth

With its improved financial position and stabilised business, the VIVAT Group is building an insurance group with a long-term profitable position in the Dutch market on a standalone basis within the Anbang group of companies. The VIVAT Group is ready to accelerate its profitable growth and will do so by several initiatives that exist of leveraging its core brands, bringing its product portfolio in line with ambitions, and further digitalisation.

The initiatives can be clustered in four themes:

Customer Centricity: The VIVAT Group will implement a new Customer Relationship Management (CRM) and Business Process Management (BPM) system with its partner PEGA, which will help the VIVAT Group to become more customer centric. Also contacts with intermediaries will be reinforced, which can create opportunities following recent consolidation in the Dutch insurance market.

Innovation: The VIVAT Group is focusing on innovation. The VIVAT Group cooperates with start-ups and accelerators in search for new business opportunities. Furthermore, the VIVAT Group is building its own

start-ups.

Data: The VIVAT Group is investing in big data. Cooperation with universities and a started data program offer opportunities for the VIVAT Group. Also optimisation of dynamic pricing within the P&C business will help the VIVAT Group to strengthen the P&C portfolio to become profitable.

Digitalisation: The VIVAT Group is finalising the rationalisation of its IT landscape which will help the VIVAT Group in the integration of new acquisitions. VIVAT Group is also implementing self-service tools to enable customers to change things themselves. Robotic Process Automation (RPA) will help to reduce costs going forward.

Next to these initiatives further progress will be made with the optimisation of the investment portfolio. The VIVAT Group also positions itself for interesting acquisitions in the Dutch market. The VIVAT Group researches potential M&A targets and analyses which business segments are most interesting to acquire new business. Next to that focus will be on the buy-out of pension funds.

Strategic Objectives Product Lines

P&C

Priority within P&C is to stabilise the business by means of reducing portfolio losses and thereby improving the cost efficiency as measured by the combined overall ratio (the "**COR**"). The combined overall ratio is calculated as expenses (both operating expenses and claims) divided by income. Therefore, the first cornerstone of the P&C strategy is improving the COR within the existing portfolio. COR improvement initiatives are initiated across the full channel/product spectrum. Initiatives differ from increasing premiums for specific risks, improving underwriting, optimising claims management and improving results of underperforming intermediaries. The overall goal is a non-life COR reduction to below 100% (net) to improve profitability. The second cornerstone of P&C's strategy is the further strengthening of omni-channel distribution, including a further digital strategy targeted at online distribution, and the (quality of) customer service.

Individual Life

In the challenging life insurance market the strategic direction of Individual Life can be divided in managing the current portfolio and new production. For the new production, Individual Life will focus on individual term life products (*overlijdensrisicoverzekeringen*) whereby it will anticipate market demand and developments.

VIVAT believes that the VIVAT Group is well-positioned to take advantage of opportunities in the individual life market, since it already has a strong market position in the term life market and ranks constantly high in new production market share (measured in gross written premiums). The VIVAT Group's strong relationships with intermediaries provide a solid basis for maintaining these strong production levels. In addition, Individual Life has a long-term distribution agreement with Volksbank.

Individual Life's strategy has three cornerstones. The first cornerstone is sustaining and strengthening the position in the term life market. The second cornerstone is improving its service book capabilities (managing closed book portfolios) through an enhanced focus on operational excellence and cost flexibility. This will be achieved to a large extent by implementing IT improvements, IT system integration and other operational improvements. The third cornerstone is to continue adequate handling of the investment-linked insurance portfolio.

Life Corporate

'Simplicity for the future' is Life Corporate's overriding strategy. This strategy includes a change of product offering from guaranteed return products to defined contribution schemes (*i.e.*, from defined benefit to defined contribution, which is in line with market developments) and a focus on individual schemes, standardisation of product line-up and optimisation of processes and IT systems, all leading to significant cost reductions. In addition, Life Corporate's strategy is to grow its portfolio and continue to play a significant role in Dutch pension market, extending into individual propositions in line with consumer trends.

Life Corporate has several core assets it can build on in order to realise future growth ambitions. First, it can leverage its high-end position to sell other financial products, especially with its base of wealthy clients. Second, it has a well-developed operational and system architecture with potential for future rationalisation. Third, VIVAT believes that Life Corporate has relatively strong distribution channels in comparison to its competitors and is well-positioned in traditional channels.

Asset Management

Asset Management's ambition is to further strengthen servicing and investment performance for affiliate clients and grow the third party wholesale and institutional client base within Europe. ACTIAM (the brand name of Asset Management) focuses on providing mutual funds to affiliated and non-affiliated distribution partners and asset management services to institutional clients. ACTIAM also manages the own account assets of the VIVAT Group. ACTIAM provides all fund and asset management related activities on the basis of a single distinctive integrated ESG approach (Environmental Social Governance) and has a leading position in the Benelux as a responsible and impact investor. Starting point is ACTIAM's proprietary and fully inhouse developed Fundamental Investment Principles, based on international treaties, conventions and best practices. ACTIAM believes that companies adopting responsible business practices are better prepared for the future. This is why ACTIAM aims to invest actively in companies that help to create a sustainable future and that contribute to the accomplishment of the Sustainable Development Goals.

ACTIAM will continue to profile itself as an active shareholder (through voting and engagement) in the companies in which investments are made, for both index tracking as well as high conviction related investment strategies. Besides ACTIAM creates value through the development, promotion and/or distribution of impact investment solutions like Microfinance, Emerging Market SME lending and Energy Transition.

Forward looking, ACTIAM's European strategy is based on 4 priorities:

1. a distinctive position within responsible and impact investing;
2. increase ACTIAMs brand awareness and product availability;
3. further optimize (ESG) research, quant/big data capabilities and client reporting infrastructure; and
4. expand wholesale and institutional client coverage.

Risk Management

General

The VIVAT Group has established a risk management system that is aimed at a controlled and effective achievement of the strategic objectives (the "**Risk Management System**"). It relates risks to the strategic, financial and operational objectives as well as to the objectives in the areas of sustainability and reputation. The framework consists of organisational, control and culture components. The management

of the VIVAT Group recognises that transparency is a vital element in effective risk management. The Executive Board and the VIVAT risk committee ("**VIVAT Risk Committee**"), which is responsible for setting the Risk Management System, monitor that the desired culture and level of risk awareness are translated into identifiable aspects, such as desirable behaviour, details of the risk appetite or criteria for evaluation of employees.

The Executive Board has set guidelines in the areas of strategy, culture and risk governance in order to enable risk assessments to be performed properly and efficiently. These guidelines apply to the entire organisation. The VIVAT Group seeks to have an open culture in which risks can be discussed, employees feel a responsibility to share information on risks and (pro)active risk management is appreciated.

The established integrated control framework provides the basis for the internal control system on risk maturity of process key controls and management controls within the VIVAT Group. The management of product or functional lines is responsible for day-to-day operations within the Risk Management System, schedules the testing of operating effectiveness of key controls and prepares operational plans on a yearly basis. These plans are subject to the approval of the Executive Board.

For all components within the integrated control framework standards include applicable minimum requirements. All components of VIVAT are scored for each product line and functional line by a yearly assessment of all management controls, in which both first line and second line of defence are involved.

Overview

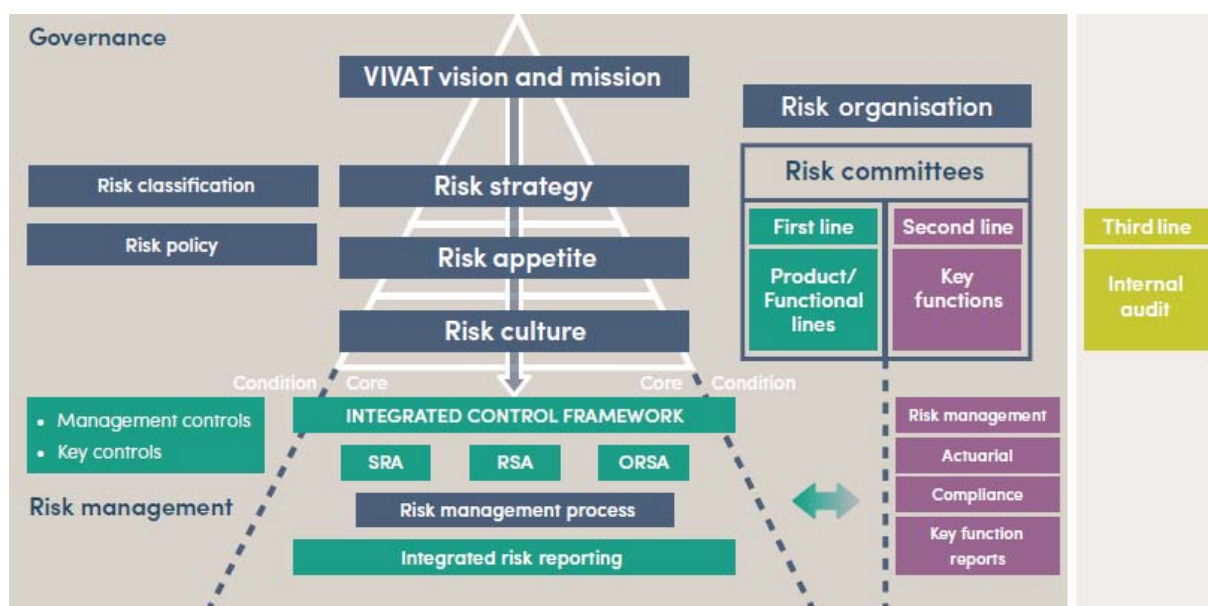
In the Risk Management System specific Solvency II requirements such as the key functions and the ORSA are incorporated. The VIVAT Risk Management System operates an integrated approach for risks that the organisation is or could be exposed to, with risk management being an integral part of the decision making process. Major decisions of the Executive Board have to be accompanied by a key function opinion.

The core of the Risk Management System consists of a governance part at which, starting from the VIVAT Group vision and mission and business strategy, the risk strategy and risk appetite are derived. The components risk policy, risk classification and risk organisation are necessary conditions to enable these strategic risk processes. To ensure an integrated approach the second line key functions and the business use the same risk classification, operations are covered by the risk appetite and are aligned by a policy structure.

Governance including an adequate risk culture, is conditional for performing risk management on tactical and operational level with as the core a control cycle of risk identification-measurement- mitigation and continuous monitoring and reporting. The risk management process is supported by the integrated control framework, built up from several components that together form the basis for sound and controlled business operations and hence for visibly being in control of the VIVAT Group and its product and functional lines. The integrated control framework measures maturity of risk management and ensures steering on correct and complete risk reports.

The internal reports are a part of (the operation of) the risk management process. The reports on recognised types of risks serve as input for the integrated risk reports, enabling key risk indicator monitoring and drawing management attention to deviations of the risk tolerance limits.

The VIVAT Group performs risk self-assessments and strategic risk assessments. An ORSA is incorporated in the Risk Management System and is performed at least annually.



Risk Management Governance

Mission and vision

The vision of the VIVAT Group to be a leading financial service provider results in a mission, focusing on comprehensive products and services leveraging state of the art technologies. From this starting point, the risk strategy contributes to a sustainable profitable growth of the VIVAT Group, for the benefit of all its stakeholders.

The VIVAT Group takes its role in society seriously. Corporate responsibility forms an integral part of the strategy and business operations. The VIVAT Group wishes to offer competitively priced products in efficient business processes, using a central back office.

In addition, the VIVAT Group pursues a customer-centric strategy, with both Zwitterleven and Reaal positioned clearly and appealing to different segments. The focus on these flagship brands allow for a more agile and lean operation bringing costs to a lower required level.

Risk Strategy

The VIVAT Group has derived a risk strategy, a supporting set of objectives following from the VIVAT Group's vision and mission to achieve the strategic goals. VIVAT aims for a robust and strong capital position, which contributes to both the confidence that customers have in the institution and the access to financial markets. VIVAT offers competitively priced products by utilising economies of scale in its organisation. The risk strategy is expressed in the risk appetite.

As main principles, the VIVAT Group has defined a robust capital position, stable profitability, prudent and consistent risk policy, regulatory compliance, social responsibility and effective and efficient customer solutions.

The VIVAT Group provides guarantees for future payments to its customer and therefore the VIVAT Group needs a strong capital position. The Executive Board would like to hold a buffer above regulatory capital requirement to absorb temporary volatility and provide more certainty to its customers.

Risk Appetite

The risk appetite is set yearly by the Executive Board and confirmed by the Risk Committee ("RC") of the Supervisory Board. This is limited by the risk capacity, which indicates the maximum amount of risk the VIVAT Group can accept at consolidated level, in view of its capital and liquidity position and any restrictions due to funding agreements or requirements imposed by regulators. The risk appetite is subsequently translated into practical risk objectives.



The risk appetite is defined at group level. Subsequently it is developed in more detail on the individual legal entity level or specific product or functional lines in the form of individual quantitative risk limits and qualitative constraints. The limits are measurable; the qualitative constraints are observable. When implementing the strategy, the Executive Board gives guidelines to the product lines for establishing operational plans, taking into account the set risk appetite and corresponding limits. With those objectives and constraints as starting point, the product lines optimize risk and return by developing the best possible products and services

The risk appetite evaluation, which is carried out at least once a year, consists of a number of steps, including risk identification, the determination of risk capacity, the selection of measures, risk mitigation, risk criteria, reporting and monitoring.

Risk Culture

Culture and conduct in general play a vital role in steering a company, and specifically in adequate risk management. Both are considered standard elements in performance evaluation meetings and in annual performance objectives. The VIVAT Group has awareness programs in place that focus on how employees hold each other accountable for their conduct and how they can escalate matters if necessary. The VIVAT Group has five core behaviours: client focus, result driven, immediate execution, take responsibility and change attitude.

The VIVAT Group realises that the tone at the top is defining for risk culture, which makes communication and exemplary behaviour determinant. The VIVAT Group encourages an open corporate culture in which

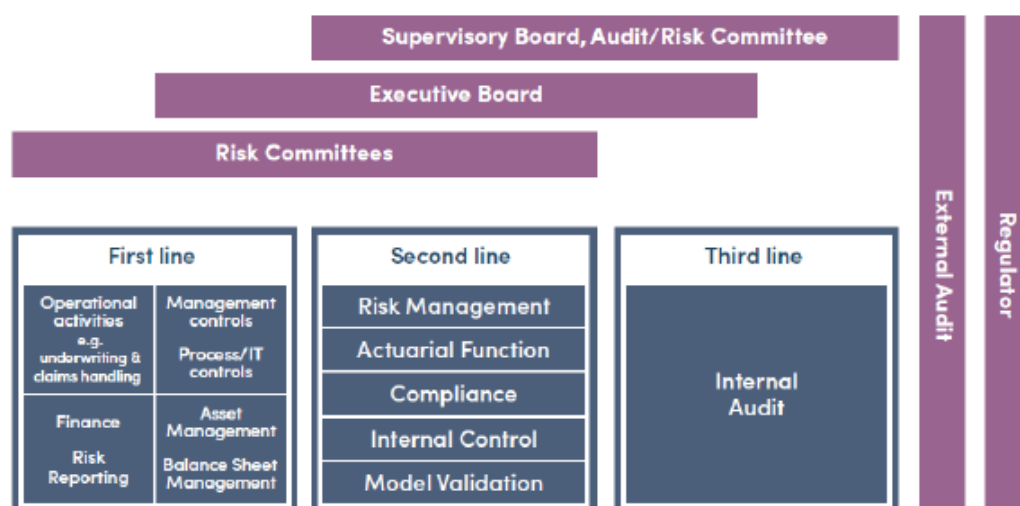
risks are to be discussed, employees feel responsible to share knowledge on risks and where (pro) active risk management is appreciated. Exemplary behaviour, the openness for discussion of dilemmas, practicability of policy and transparency are inseparably linked to an open corporate culture.

Risk culture is also embedded in the organisation by risk management being an integral part of the organisational processes and decision making of the VIVAT Group. Decision making is clear, explicit, and in line with the risk policy and risk appetite of the VIVAT Group. The management teams of the product lines and functional lines promote awareness of risks and are supported by the second line departments of the risk organisation. The management teams are responsible for ensuring that risk decisions are made in accordance with the delegated authorities, in consultation with all second line Solvency II key functions.

Furthermore, VIVAT ensures that senior management and employees on key functions are fit and proper to fulfil their job. Finally, VIVATs remuneration policy discourages taking undesired and irresponsible risks focused on short-term profit and personal gain.

Risk organisation

The VIVAT Group has implemented the “Three Lines of Defence” control model including the Solvency II key functions and a risk committee governance structure. It contributes to the strengthening of the risk culture, taking responsibility for managing risks and internal control, and eventually to the further optimisation and integration of the risk management.



First Line: Risk Taker

Business plans are prepared in the first line. With this preparation, the first line operationalises the (risk) strategy, focusing on the primary process (*i.e.*, underwriting, claims handling, preparing financial accounts) of the business and investment activities. Within the policy framework and subject to internal procedures and risk limits, it is the objective of the risk taker to achieve an optimum risk/return. Consequently risks are managed by identifying, measuring, mitigating and monitoring them and report whether the risks remain within the risk appetite of VIVAT and its underlying entities.

Risk self assessments are carried out and in combination with the ORSA, these assessments could lead to changes in the (risk) strategy. For all these activities the first line has an active role in various risk committees including the ability to demonstrate management and process controls according to the standards as set by the integrated control framework.

Second Line: Risk Management

The second line has a monitoring role in respect of the risk management actions and activities carried out by the first line. The second line assesses actions in the first line as well as the effectiveness of procedures by means of testing key controls, and is responsible for monitoring the overall risk profile to be in line with the risk appetite.

The second line is also responsible for formulating the Risk Management System and setting risk policies. The first line is responsible for the execution of these policies. The second line assesses policy compliance on a regular basis, using risk reports, reports on management and process key controls and own observations. Furthermore, the second line sets the mandates in line with the risk appetite. It also defines basic principles and preconditions for risk models and the control framework and supports central decision-making bodies. The data used, including models, assumptions and techniques, are validated periodically.

The second line risk management organisation of the VIVAT Group is part of the risk department, resorting under the chief risk officer. This department includes the second line financial and non-financial risk departments. The chief risk officer is member of the Executive Board.

Third Line: Internal Audit

Audit VIVAT is the independently operating audit function and has a supervising role assessing the functioning of the Risk Management System (including the interaction between first and second line) ("**Audit VIVAT**").

Audit VIVAT does not take part in determining, implementing or steering of the risk policy. Audit VIVAT reports to the chairman of the Executive Board and has a reporting line to the chairman of the audit committee ("**Audit Committee**") of the Supervisory Board.

Audit VIVAT performs independent and objective audits and reviews to assess whether there is an adequate and efficient Risk Management System within the business processes which supports the realisation of the organisation's strategic objectives; whether there is sufficient, reliable management information, which is used for testing the realisation of the objectives and whether (business, financial, reporting or other) processes are efficient and effective. Furthermore, Audit VIVAT assesses whether the VIVAT Group complies with laws and regulations and if assets (e.g., physical, intellectual, policy & company data) are safeguarded adequately. The agenda of Audit VIVAT is determined by the Audit Committee.

In the quarterly report, Audit VIVAT informs the Executive Board and the Audit Committee. This quarterly report contains at least an executive summary containing findings and issues relating to deficiencies regarding the governance, internal control and Risk Management System; findings and observations that are substantial for the risk profile; the executive summary of all audits reported in the quarter and a follow-up monitoring of recommendations of Audit VIVAT, regulators, external auditor and external actuarial reports.

Risk management committees

In addition to the risk management organisation, the VIVAT Group has established risk committees to manage risks effectively. The VIVAT Group has established the following risk committees: VIVAT Risk Committee, Asset Liability Committee, Policies Models and Assumptions Committee, Investment Committee and Product Committee. The latter is leading for the underlying PMP MT's (Product, Marketing, Pricing) in the Product Lines. In the ORC MT's, the issues regarding Operational Risk and Compliance

are discussed.

Key functions

In accordance with Solvency II the VIVAT Group recognises four key functions. A function as intended in Solvency II is not a person or a department but an internal capacity to perform certain tasks and responsibilities. The functions are established on the VIVAT Group level and carry out activities on behalf of all insurance activities of the VIVAT Group. The chief risk officer is the Risk Management Function Holder, the Director Financial Risk is the Actuarial Function Holder and the Director Non-financial Risk is the Compliance Function Holder. The Director Internal Audit is the third line Audit Function Holder.

The enterprise risk management report is an integrated comprehensive report on the major financial and non-financial risks within the VIVAT Group. It consists of reports from the three second line key functions (risk management function, actuarial function and compliance function) and shows both the development and the outlook with regard to actuarial, financial, model and non-financial risks, and in addition strategic developments. The enterprise risk management report presents both new and progress on existing high risk findings and/or issues compiled on the basis of the information obtained from monitoring reports, risk dashboards, risk appetite statements, internal control statements, reports by internal and external regulators, incidents and issues reported and own assessments and perceptions. It contains a second line opinion on the development of the various risks, the dependency, and the impact on operational plan, solvency and strategy. The risk opinion is discussed in the risk committees, the Executive Board, the VIVAT Risk Committee and the risk committee of the Supervisory Board.

The actuarial function opines on the adequacy of the technical provision used for IFRS-LAT and Solvency II purposes. It furthermore assesses on the reliability and adequacy of underwriting and reinsurance programs. The actuarial function report is submitted to the VIVAT Risk Committee and the Audit Committee of the supervisory board. Regularly the audit function submits an update based on the findings in the actuarial function report, supplemented with recent findings and advices. This update is part of the enterprise risk management report. The main purpose of the compliance function is to support management in conducting its business operations in a controlled, honest and sound manner, and with regard to the risks which in this context are a threat to achieving the strategic objectives, obligations arising from laws and regulations, insights from social discussions and guidelines imposed by regulators.

The compliance Function provides regularly, as part of the enterprise risk management report, a report on the most important compliance risks of the VIVAT Group to the VIVAT Risk Committee and the risk committee of the Supervisory Board.

Risk Policy

The VIVAT Group has an integrated risk management policy structure. The entire policy structure is accessible to employees through the internal policy site. The policy structure ensures the timely identification and assessment of risks and adequate monitoring and reporting of the material risks, both on board and workplace level. The risk policy is structured in levels, the aim is to give insight in the cascading from (Solvency II-) legislation, (second line) risk policy, corresponding processes and (first line) implementation. At least once a year the risk policies are assessed, adjusted if necessary and approved following regular governance.

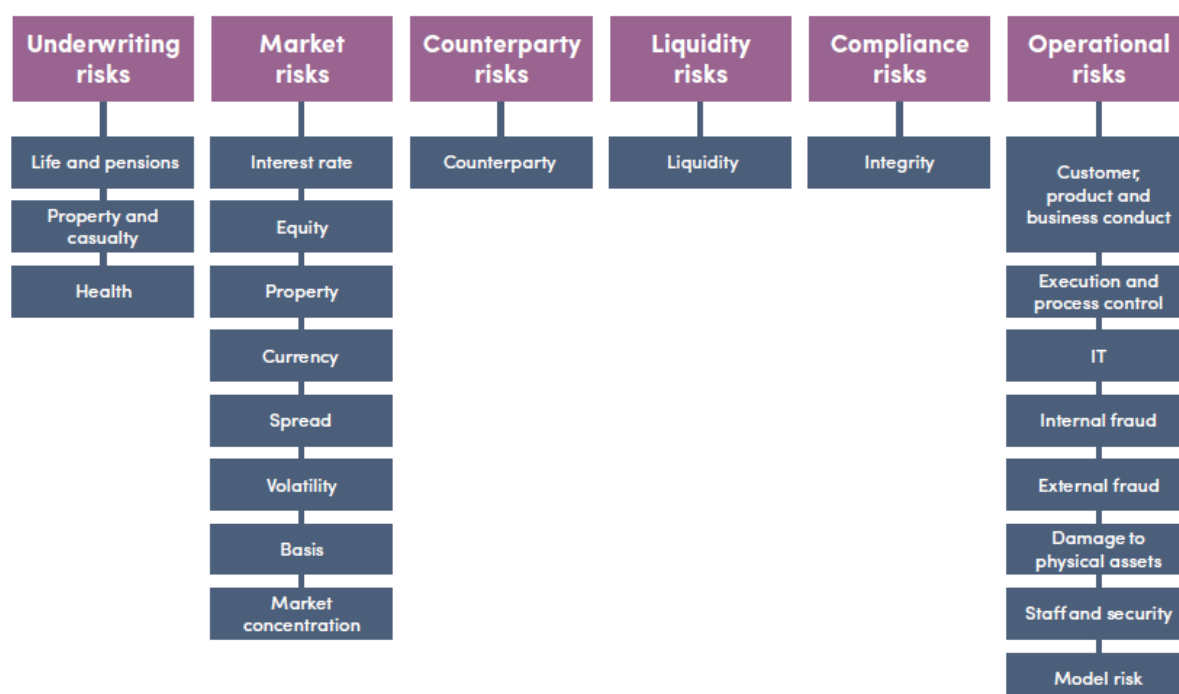
Risk Classification

The VIVAT Group provides insight into the risks for the business itself and for its stakeholders to manage these risks within the indicated tolerance levels. This includes both behaviour related and financial aspects of risk management. To provide clarity in the communication and management of risks, the risk

classification incorporates a comprehensive list of mutually exclusive risk types to which the VIVAT Group is exposed or could be exposed to.

The VIVAT Group has defined and structured different risk types, partly on the basis of applicable laws and regulations (such as Solvency II Standard Formula), and partly on own assessment of risks given the VIVAT Group's risk profile. As part of its strategy, VIVAT deliberately takes underwriting risks and market risks aiming for returns. As a consequence, taking counterparty risk and liquidity risk may contribute to those returns. Compliance risk and operational risks are inherent risks that do not provide more returns when taking more risk and have to be controlled and managed at a minimal level.

Strategic developments (governance, positioning, external developments) relate to future business developments and may eventually emerge as one of the main or sub risk types and are monitored in the enterprise risk management report. In the risk assessment on the operational plans several internal and external strategic development scenarios are taken into account.



Not all of the risk categories are part of the SCR calculation. The SCR calculation does not contain liquidity and compliance risk.

Risk Control

Risk Management is a continuous process of identifying and assessing risks and establishing controls. Risk management is an inextricable part of the strategy, policy, processes, procedures, operational embedding, allocation of capacity and responsibilities, and independent testing of control effectiveness. The first and second line departments have been assigned a responsibility in this process, which is supported by the Integrated Control Framework.

Integrated Control Framework

The integrated control framework contains a set of (management and process) controls and an analysis on operating effectiveness enabling management to adequately manage risks, following (strategic)

objectives and VIVAT's risk appetite. This enables the identification of gaps in the control framework and monitoring on follow-up using a standardized approach.

The integrated control framework forms the basis for sound and controlled operations within VIVAT and monitors process controls and management controls.

The effectiveness of process (key) controls within VIVAT is scheduled each quarter for independent testing by first line management. The second line (internal control) subsequently performs reviews or re-performance.

Management controls (or entity level controls) give insight in the maturity of risk management and mitigation in the individual product- and functional lines. The standards and control objectives used relate to relevant legislation (e.g. WFT, Solvency II) and internal policies.

In 2017 integrated risk management was further optimised by implementation of special tooling and further alignment and development of policies and procedures regarding process management, action monitoring and the loss database. Reports from the tooling will be used to further analyse and improve the completeness and quality of design for both management and process controls based on all risk categories as described in the risk classification.

During 2017 VIVAT has performed a self-assessment on management controls (or entity level controls). Based on this assessment it was found that the overall maturity level improved significantly in comparison to last year due to:

- formalised strategy setting and embedding in performance management
- reinforcement of first line risk management
- expansion of integrated risk management

The self-assessment also identified improvements that will be implemented in 2018.

Risk Management Regulatory Developments

The latest developments within risk management, in order to stay up-to-date with legislation and regulation, consist of, *inter alia*, the following:

- A continued focus on implementation of Solvency II, including reporting through the QRT templates and the Regular Supervisory Reporting ("RSR") and Solvency and Financial Condition Report ("SFCR");
- The ORSA has been further developed. The VIVAT Group has obtained approval to perform ORSA on a group level, instead of on an entity-level, as this better reflects how the VIVAT Group is managed;
- A Recovery Plan was prepared and submitted to the regulator, detailing procedures and actions in case of a financial emergency;
- The Dutch regulator DNB has submitted a sector letter detailing its expectations with regard to the capital management practices and policies of insurance companies. The VIVAT Group is in discussion with DNB on the implications of these guidelines;
- The VIVAT Group participated in the EIOPA insurance stress test in 2016 and will participate in the 2018 stress test.

Reinsurance

The reinsurance policy applied by the VIVAT Group provides protection against underwriting risks arising

in the insurance portfolios of both the Life and the Non-Life businesses. Reinsurance is a tool used for risk management (traditional reinsurance) and capital management purposes. Traditional reinsurance is primarily used to protect the profit and loss. The capital-oriented reinsurance solutions help optimise the capital position of the VIVAT Group. The reinsurance policy is determined on the basis of risk assessments of the various portfolios, the size of the portfolios, the nature of the underwriting risks, the results, the risk appetite and the financial strength of the VIVAT Group. Within the VIVAT Group there is a centralised approach to reinsurance procurement.

The VIVAT Group conducts an active policy with respect to the placement of reinsurance contracts, using a panel consisting of reinsurers that have been rated. The general guideline is that reinsurers must have a minimum rating of A-. However, given the long-term nature of the underlying business, the current panel for casualty business consists of reinsurers with at least an A rating, while the panel of reinsurers for life and disability business consists of companies with an AA- rating. Continuity within the panels of reinsurers is an important principle. It brings stability in times of stress due to the longstanding relationship and understanding of the underlying business by the reinsurer.

See also "Risk Factors - Reinsurance may not be available, affordable or adequate to protect the VIVAT Group against losses, and reinsurers may default on their reinsurance obligations".

Financial Position full year 2017

The most notable points from the financial performance of the VIVAT Group in 2017 - which have been described in more detail below - are:

- Net underlying result up 7% at EUR 172 million; all product lines are profitable
- Combined ratio at 99.0%, successfully managed below 100% (2016: 104.9%)
- Gross written premiums up 17% to EUR 2,923 million, mainly contributed by a single premium pension fund buy-out
- Total operating costs down 8% to EUR 386 million. Staff costs 24% lower than comparable cost base before start of transformation; part of cost savings used for growth initiatives
- IFRS net result of -/- EUR 116 million due to parameter updates
- Solvency II ratio (standard model) of VIVAT decreased to 162% (175% at year end 2016) as a result of a sharp decrease of the VA which was only partly offset by an increase in the market value of the credit spread sensitive part of the investment portfolio
- Solvency II ratio (standard model) of SRLEV increased to 157% (149% YE16) mainly following a EUR 250 million restricted tier 1 loan provided by VIVAT, partly offset by a decrease of the VA
- Successful issuances of EUR 650 million senior notes and USD 575 million subordinated notes
- Liquidity position holding at EUR 653 million (EUR 267 million year end 2016)
- Further improvements in customer and intermediary satisfaction
- Investment policy of Zwitserleven voted as most responsible for the 5th consecutive year

Key figures

in € millions	2017	2016
Net Underlying Result VIVAT ^{1 2}	172	161
Net Result IFRS	-116	168
Combined Ratio Property & Casualty	99.0%	104.9%
Solvency-II ratio VIVAT	162%	175%

Equity	3,547	3,699
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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).

² In 2017 new accounting policy was adopted rendering disability insurance liabilities being measured using current market interest rates. The comparative 2016 figures have been adjusted, resulting in a decrease of equity of EUR 8 million, a gain in net result IFRS of EUR 9 million.

Financial result

The net underlying result improved from EUR 161 million in 2016 to EUR 172 million in 2017. The increase was mainly driven by a significant decrease in operational expenses due to the reorganisation that was finalised in 2016. This was partly offset by higher investments in strategic projects and marketing, lower technical results at Individual Life and increased interest expenses.

in € millions	2017	2016
Result		
Premium Income	2,923	2,508
Direct Investment Income	1,210	1,219
Operating expenses (excl. Restructuring costs)	386	420
Restructuring costs	-	119
Net Underlying Result VIVAT	172	161
Net Result IFRS	-116	168

VIVAT's net result IFRS in 2017 of -/- EUR 116 million was negatively impacted by accounting differences between the market and book value of assets and liabilities, resulting in an addition to the technical provisions from a LAT shortfall of EUR 360 million.

Premium income increased 17% from EUR 2,508 million to EUR 2,923 million. This increase was mainly attributable to a single premium pension contract of EUR 375 million. Excluding this one-off, the premium increased by EUR 40 million, predominantly in Life Corporate. Premium income of P&C increased slightly and premium income of Individual Life was stable in challenging market conditions.

Direct investment return remained stable compared to 2016, given the challenging capital market and the optimisation of the investment portfolio that just has started.

Operating expenses have decreased following the restructuring in 2016, lowering staff costs by EUR 26 million. The total operating expenses have fallen by more than EUR 100 million from 2015 to 2017 on a comparable basis, despite the normal average wage increase during this period. Following the significant FTE reduction in 2016, the number of FTEs has decreased by 632 FTEs in 2017 to 2,466 FTEs at year end 2017 (year end 2015: 3,674 FTEs) contributing to lower staff costs.

The reconciliation of the net underlying result to net result IFRS is presented in the following table:

in € millions	2017	2016
Net Underlying Result VIVAT	172	161
1) Change LAT-shortfall Life in P&L	-360	59
2) Other (un)realised changes in fair value of assets and liabilities	57	63
3) Non operating expenses and profits	15	-115
Net result IFRS VIVAT	-116	168

The addition of EUR 360 million to the LAT shortfall in 2017 compared to a LAT release of EUR 59 million in 2016. In 2017 the LAT shortfall was a result of accounting differences between the market and book value of assets and liabilities.

Other realised and unrealised changes in the fair value of assets and liabilities that effect IFRS result were lower in 2017 compared to 2016, mainly due to lower realised gains on equity investments and real estate.

Non-operating expenses & profits consist of non-recurring items (> EUR 10 million) of a non-operational nature. In 2017, the net amount consisted mainly of a provision release for a legal claim of EUR 15 million. In 2016, the net amount consisted mainly of the restructuring provision and a goodwill impairment.

Financial result per segment

Life Corporate

in € millions	2017	2016
Result		
Gross written Premium Income	1,366	954
Operating expenses	111	118
Restructuring costs	-	47
Total costs	111	165
Net Result IFRS	-239	79
Net Underlying Result	60	35

Gross written premium income increased by 43% compared to 2016, predominantly as a result of a pension fund buy-out of EUR 375 million single premium. Excluding the buy-out, premiums of direct pension products increased by EUR 37 million.

The net underlying result increased by EUR 24 million to EUR 59 million as a result of a higher investment income, a higher technical result and a release of a litigation provision. The increase in investment income was driven by higher dividend and interest income. The result on costs decreased slightly compared to 2016.

The net result IFRS decreased to -/- EUR 239 million, mainly driven by negative changes in the position of LAT shortfall, partly mitigated by lower cost, the absence of restructuring costs and a provision release for a legal claim. As a result of accounting differences between the market and book value of assets and liabilities, EUR 360 million net was added to the provisions due to a LAT shortfall in 2017, while EUR 59 million net was released in 2016. The full LAT shortfall is allocated to Life Corporate.

Individual Life

in € millions	2017	2016
Result		
Gross written Premium Income	886	888
Operating expenses	94	123
Restructuring costs	-	38

Total costs	94	161
Net Result IFRS	160	159
Net Underlying Result	133	156

Gross written premium income remained stable, notwithstanding the shrinking individual life market. The decrease in regular premium income is compensated by income from single premium products.

The net underlying result decreased by EUR 23 million to EUR 133 million, mainly due to a lower result on interest and a lower technical result from mortality and surrenders, as well as a lower cost coverage following the decline of the insurance portfolio.

The net result IFRS remained stable compared to 2016. The decrease in operating expenses, mostly as a result of the restructuring program, was largely offset by a lower cost coverage. The lower cost coverage was related to the shrinking portfolio and competitive market circumstances.

Property & Casualty

in € millions	2017	2016
Result		
Gross written Premium Income	671	666
Operating expenses	116	120
Restructuring costs	-	29
Total costs	116	149
Net Result IFRS	2	-48
Net Underlying Result	0	-26
Combined Ratio (COR)	99.0%	104.9%

Gross premium income increased by 1% in 2017 to EUR 671 million compared to 2016. Operating expenses (excluding reorganisation expenses in 2016) were lower as a result of the 2016 restructuring program.

The net underlying result increased by EUR 26 million compared to 2016. This improvement was driven by an improved net technical result and lower operating expenses, partly offset by lower underlying investment income. The technical result for 2016 was heavily impacted by a hail storm (impact -/- EUR 15 million). In 2017 the technical result in, mainly, the section Motor and Liability improved significantly on the back of a lower claims ratio.

The net IFRS result increased by EUR 50 million compared to 2016, due to lower operating expenses and an improved technical result.

The COR of 99.0% improved by 5.9 %-points compared to 2016. This improvement was driven by the lower claims ratio and expense ratio. Excluding the hail storm in 2016, the COR improved by 2.9 %-points (COR excluding 2016 hail storm was 101.9%).

ACTIAM

in € millions	2017	2016
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Result		
Total income	44	38
Operating expenses	42	40
Restructuring costs	-	1
Total costs	42	41
Net Result IFRS	1	-2
Net Underlying Result	1	-2
Assets under management (€ billions)	54.1	54.6

Total income relates to asset management fees, which were higher in 2017 as a result of increased net fee income with stable fee expenses. Total income improved despite a small decline in assets under management, as a result of outflows due to maturing and changing product propositions by distributors of the unit linked investment funds. The decline in captive funds was partly offset by new third party inflows from responsible index funds for retail investors.

Operating expenses rose by EUR 2 million as a result of strategic investments to support future growth. In July 2017, ACTIAM outsourced its middle and back office activities to BNP Paribas which will help lower the cost base going forward.

Both the net underlying result and the net result IFRS increased compared to last year (2016: -/- EUR 2 million).

VIVAT holding

in € millions	2017	2016
Result		
Net fee and commission income	-1	8
Investment income	9	15
Total Income	8	23
Operating expenses	23	19
Restructuring costs	-	4
Total costs	23	23
Technical claims and benefits	23	-
Impairment losses	-	17
Other interest expenses	18	4
Net Result IFRS	-40	-20
Net Underlying Result	-22	-2

The net underlying result decreased by EUR 20 million compared to 2016, mainly driven by higher interest expenses and investments for strategic projects. Interest expenses increased in 2017 due to a USD 190 million tier 2 loan issued to the shareholder in December 2016 and the EUR 650 million senior notes issued in May 2017. These changes in the funding profile reduced the net underlying result by EUR 11 million. Due to the refinancing of the subordinated notes, interest expenses will decrease by EUR 17 million going forward. One-off costs relating to strategic projects had a negative impact on the net underlying result of EUR 8 million.

In 2017, the assets and liabilities of the authorised agent entity Volmachtkantoor Nederland B.V. were transferred to P&C (previously part of VIVAT), leading to both lower income (EUR 8 million) and lower expenses (EUR 11 million) in the result of VIVAT.

In 2016 an impairment for goodwill of EUR 17 million negatively impacted the net result IFRS for VIVAT, without having an impact on the net underlying result.

Capital Management

in € millions	2017	2016
Eligible own funds VIVAT N.V.	3,772	4,319
Consolidated Group SCR	2,327	2,466
Solvency II ratio VIVAT N.V.	162%	175%
Eligible own funds SRLEV N.V.	3,238	3,424
Consolidated SRLEV SCR	2,060	2,295
Solvency II ratio SRLEV N.V.	157%	149%

The Solvency II ratio of VIVAT fell from 175% at year-end 2016 to 162% at year-end 2017. The SCR fell by EUR 139 million to EUR 2,327 million. This decrease was mainly driven by a decrease of VIVAT's counter party default risk and a decrease of underwriting risk. Underwriting risk fell due to the implementation of a mass lapse re-insurance contract. Due to the decrease in the SCR, the amount of ineffective tier 3 capital increased.

Eligible own funds fell by EUR 547 million to EUR 3,772 million. A decrease in the VA from 13 bps at year end 2016 to 4 bps at year end 2017 had a negative impact on the Solvency II ratio. As the investment portfolio of VIVAT consists mainly of German and Dutch government bonds, this decrease in the VA is not offset by an increase in the value of the investment portfolio. The combined negative impact on the Solvency II ratio is about 10%-points.

The Solvency II ratio of SRLEV rose from 149% at year end 2016 to 157% at year end 2017. SRLEV was also negatively impacted by the decrease in the VA. This development was offset by a EUR 250 million restricted tier 1 loan provided by VIVAT to SRLEV in June 2017. Additionally, SRLEV benefited from a more favourable diversification in the SCR, since the capital requirement for interest rate risk, according to the standard formula of Solvency II, changed from the risk of a decrease to the risk of an increase in the term structure of interest rates.

As of 1 January 2018 the UFR was reduced from 4.2% to 4.05%. This reduction in the UFR has a negative impact on the Solvency II ratio of VIVAT and SRLEV of 4%-points.

The available liquidity at the holding increased from EUR 267 million at year end 2016 to EUR 653 million at year end 2017. In May 2017, VIVAT issued EUR 650 million senior notes to institutional investors. The proceeds of this issuance were used to provide the EUR 250 million loan to SRLEV. The remainder increased the liquidity position of the holding to enhance financial flexibility and support future growth.

In November 2017, VIVAT issued USD 575 million subordinated tier 2 notes to institutional investors. The proceeds of this issuance were fully used to repay the subordinated tier 2 loans that were provided by VIVAT's shareholder to VIVAT and SRLEV. Following this repayment, there are no loans outstanding

between VIVAT and its shareholder.

Balance Sheet

in € millions	2017	2016
<i>Statement of financial position</i>		
Total assets	56,747	57,800
Investments	38,624	38,294
Investments for account policyholders	13,202	14,251
Investments for account of third parties	630	1,387
Loans and advances to banks	1,814	960
Cash and cash equivalents	259	410
Shareholders' equity	3,547	3,699
Total Liabilities	53,200	54,101
Insurance liabilities	46,794	47,617
Subordinated debt	1,016	1,047
Borrowings	642	-
Liabilities investments for account of third parties	630	1,387
Amounts due to banks	1,643	1,353

Assets

The increase of investments in 2017 of EUR 0.3 billion was mainly driven by a pension fund buy-out (EUR 0.4 billion), transfer of investments for account policyholders to own risk (EUR 1.0 billion) and the proceeds of the senior notes issuance in May 2017 (EUR 0.65 billion). This was largely offset by a lower market value of bonds as a result of higher market interest rates.

Both investments and liabilities investments for the account of third parties decreased by EUR 0.8 billion, mainly caused by movements of third parties to investment funds which are not consolidated in the balance sheet of VIVAT.

Loans and advances to banks increased as a result of additional repo transactions and paid cash collateral.

Liabilities

The total amount of insurance liabilities fell by around EUR 1 billion due to a lower fair value of technical provisions for life insurance, as a result of increased market interest rate movements. The decline in the Individual Life portfolio in 2017 as a result of surrenders was largely offset by an increase of the Life Corporate portfolio.

Borrowings increased in 2017 as result of the issue of the EUR 650 million senior notes in May.

Amounts due to banks increased as a result of additional repo transactions.

Consolidated balance sheet VIVAT

in € millions	2017	2016
Assets		

Intangible assets	1	4
Property and equipment	65	74
Investments in associates	-	7
Investment property	380	274
Investments	38,624	38,294
Investments for account of policyholders	13,202	14,251
Investments for account of third parties	630	1,387
Derivatives	760	1,091
Deferred tax assets	491	426
Reinsurance share	181	225
Loans and advances to banks	1,814	960
Corporate income tax	31	42
Other assets	302	355
Cash and cash equivalents	259	410
Assets held for sale	7	-
Total assets	56,747	57,800
Equity and liabilities		
Share capital ¹	-	-
Other reserves	3,663	3,531
Retained earnings	-116	168
Shareholders' equity	3,547	3,699
Subordinated debt	1,016	1,047
Borrowings	642	-
Insurance liabilities	46,794	47,617
Liabilities investments for account of third parties	630	1,387
Provision for employee benefits	585	578
Other provisions	44	150
Derivatives	636	486
Amounts due to banks	1,643	1,353
Other liabilities	1,210	1,483
Total equity and liabilities	56,747	57,800

¹ The issued and paid up share capital of VIVAT is € 238.500

Consolidated profit or loss VIVAT

in € millions	2017	2016
Income		
Premium income	2,923	2,508
Less: Reinsurance premiums	51	61
Net premium income	2,872	2,447
Fee and commission income	87	98
Fee and commission expense	25	32
Net fee and commission income	62	66
Share in result of associates	1	1
Investment income	1,430	2,794
Investment income for account of policyholders	435	902
Investment income for account of third parties	57	43
Result on derivatives	-409	-233
Other operating income	15	-
Total income	4,463	6,020
Expenses		
Technical claims and benefits	3,814	3,591
Charges for account of policyholders	87	1,349
Acquisition costs for insurance activities	159	135
Result on liabilities from investments for account of third parties	57	43
Staff costs	281	426
Depreciation and amortisation of non-current assets	10	15
Other operating expenses	95	98
Impairment losses	8	28
Other interest expenses	127	104
Other expenses	-	1
Total expenses	4,638	5,790
Result before taxation	-175	230
Taxation	-59	62
Net result continued operations for the period	-116	168

Subordinated liabilities

Under Solvency II the available own funds include subordinated debt including accrued interest with regard to this debt.

Breakdown of subordinated liabilities at 31 December 2017

in € millions	Currency	Interest	SII Value (EUR)	Nominal amount (EUR)	Issue date	First call date	Expiration date
>VIVAT							
<i>Tier 2</i>							
VIVAT (US dollar)	USD	6.250%	490	479	2017-nov	2022-nov	perpetual
Total			490	479			

>SRLEV							
<i>Tier 1</i>							
		MS +					
SRLEV (Swiss Franc)	CHF	5.625%	91	90	2011-jul	2018-dec	perpetual
VIVAT N.V.	EUR	7.750%	263	250	2017-jun	2022-jun	perpetual
			354	340			
<i>Tier 2</i>							
SRLEV N.V.	EUR	9.000%	468	400	2011-apr	2021-apr	2041-apr
VIVAT N.V.	EUR	7.750%	149	140	2015-dec	2025-dec	2025-dec
VIVAT N.V.	EUR	3.780%	97	95	2017-nov	2022-nov	2027-nov
			714	635			
Total			1,068	975			
>VIVAT Schade							
<i>Tier 2</i>							
VIVAT N.V.	EUR	7.750%	85	80	2015-dec	2025-dec	2025-dec
		6 month EURIBOR					
VIVAT N.V.	EUR	+ 5.545%	72	70	2016-dec	2021-dec	2026-dec
Total			157	150			
Other (elimination)			-666	-635			
Total			1,049	969			

Tier 1

In July 2011, SRLEV issued CHF 105 million in perpetual subordinated bonds. The CHF bond has a first redemption date on 19 December 2016. SRLEV decided not to exercise its redemption option to redeem the CHF bond in December 2016 and 2017. Under the Solvency II transitional measures the CHF bond qualifies in full as Restricted Tier 1 own funds in the calculation of Solvency II own funds for ten years after 1 January 2016. At this specific time, it has been determined that it is currently in the interests of SRLEV not to exercise the redemption option to redeem the CHF Bond. The interest rate on the CHF bond has been reset to 5-year CHF mid-swap plus 5.625%.

In June 2017 SRLEV agreed a capital subordinated loan for an amount of EUR 250 million. The capital subordinated loan is a tier 1 perpetual loan issued by VIVAT NV with a fixed interest rate of 7.75%.

Tier 2

In April 2011, SRLEV issued EUR 400 million in subordinated bonds maturing in 2041.

In November 2017, VIVAT issued USD 575 million (EUR 476 million) in subordinated notes. The notes are first callable after 5 years and each fifth anniversary thereafter, subject to conditions to redemption. The coupon is fixed at 6.25% per annum until the first call date. The notes qualify as Tier 2 regulatory capital under Solvency II. The proceeds of the issuance were used to redeem the subordinated loans provided by Anbang. A new subordinated private loan of EUR 95 million was provided by VIVAT to SRLEV.

Breakdown Solvency Capital Requirement VIVAT (at year end)

in € millions	2017	2016
Market Risk	836	822
Default Risk	145	275
Life	1,520	1,630
Health	271	279
Non-Life	208	215
Diversification	-881	-970
Other	228	215
Total SCR	2,327	2,466

Breakdown own funds VIVAT (at year end)

in € millions	2017	2016
Unrestricted Tier 1	2,530	2,985
Restricted Tier 1	91	100
Tier 2	958	995
Tier 3	193	239
Total eligible own funds	3,772	4,319

Solvency ratios VIVAT (at year end)

in € millions	2017	2016
SCR	2,327	2,466
MCR	1,055	1,163
Ratio of Eligible own funds to Group SCR	162%	175%
Ratio of Eligible own funds to Group MCR	266%	283%

Key Sensitivities VIVAT (at year end)

in € millions	IFRS shareholders'					
	IFRS net result		equity		Solvency II ratio	
	2017	2016	2017	2016	2017	2016
Interest rate risk						
Interest +50 bps	-41	-129	-41	-129	6%	-1%
Interest -50 bps	69	166	69	166	-9%	1%
UFR -15 bps	-58	-74	-58	-74	-7%	-4%
UFR -50 bps	-198	-245	-198	-245	-15%	-13%
Excluding VA	-	-	-	-	-11%	-23%
Equity risk						
Equities +10%	21	23	37	55	1%	2%
Equities -10%	-32	-31	-37	-55	-1%	-2%
Property risk						
Property +10%	33	28	35	31	1%	1%

Property -10%	-33	-29	-35	-31	-1%	-1%
Spread risk						
Credit spreads Government Bonds +50 bps	-506	-753	-506	-753	-18%	-29%
Credit spreads Corporates /Mortgages +50 bps	-111	-117	-111	-117	13%	9%
All Credit spreads +50 bps	-617	-870	-617	-870	-5%	-20%

Additional information on the investment portfolio

in € millions	2017	2016
Sovereigns	22.7	23.0
Credits	5.3	5.1
Money Market Funds	2.2	1.3
Collateral trades	0.8	0.2
Other (a.o. derivatives)	-0.3	-0.4
Mortgages	2.6	2.9
Equity like	1.3	1.3
Total	34.6	33.5

Distributable items

VIVAT may only make distributions to its shareholders and other persons entitled to distributable profits to the extent its equity exceeds the total amount of its issued share capital and the reserves which to be maintained pursuant to the law. Distributable items include the share premium reserve, other reserves and retained earnings. VIVAT's distributable items as of 31 December 2017 amount to EUR 3,379 million.

Recent Developments

In May 2018, VIVAT entered into a EUR 200 million revolving credit facility ("**RCF**") with a group of leading European banks. The RCF is structured as 5+1+1 maturity facility and does not contain financial covenants. Other than the foregoing, there are no material recent developments since 31 December 2017, being the end date of the last financial period for which audited financial information has been published.

Litigation

Save as disclosed in "*Risk Factors - The VIVAT Group is exposed to the level of interest rates*" and "*Risk Factors - The VIVAT Group is exposed to (litigation) risks related to the offering of investment insurance policies and investment pension policies*", VIVAT is not or has not been involved in and is not aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which VIVAT is aware) in the 12 months preceding the date of this Offering Memorandum, which may have, or have had in the recent past, significant effects on VIVAT's and/or the VIVAT Group's financial position or profitability as per the date of this Offering Memorandum.

Material Contracts

There are no material contracts entered into other than in the ordinary course of VIVAT's business, which could result in VIVAT being under an obligation or entitlement that is material to VIVAT's ability to meet its obligations to Noteholders in respect of the Notes.

Supervision

VIVAT is a holding company with no material, direct business operations (except for some limited activities as intermediary). Certain of its operating subsidiaries, such as SRLEV, are subject to the supervision of both DNB and AFM. SRLEV has a licence to conduct the business of a life insurance company in accordance with section 2:27 DFSA. Moreover, SRLEV and other insurance entities in the VIVAT Group as well as their respective subsidiaries are subject to supplementary supervision on insurance groups pursuant to chapter 3.6 of the DFSA. VIVAT Schadeverzekeringen, Proteq, and DAS Nederlandse Rechtsbijstand Verzekeringsmaatschappij (VIVAT Schadeverzekeringen has an equity interest of 15.291% in DAS Holding N.V., which is the sole shareholder of DAS Nederlandse Rechtsbijstand Verzekeringsmaatschappij) also hold licences to conduct the business of an insurance company. VIVAT Schadeverzekeringen holds a passport for a number of its activities in certain other European countries. Zwitserleven PPI N.V. holds a licence as a premium pension institution. Bemiddelingskantoor Nederland B.V. (formerly known as SNS Verzekeringen B.V.) is a financial services provider. Volmachtenkantoor Nederland B.V. is an affiliated undertaking as meant in section 2:105 DFSA (*aangesloten onderneming*) of VIVAT Schadeverzekeringen and is able to act as an agent. ACTIAM holds a licence as an alternative investment fund manager in accordance with section 2:65 DFSA. ACTIAM may perform a limited number of investment services based on section 2:67a DFSA, such as individual asset management and also holds a passport for Belgium and France for its individual asset management services.

CORPORATE GOVERNANCE

General

VIVAT has a two-tier board structure consisting of the Executive Board and the Supervisory Board, in accordance with the Dutch mitigated company regime (*gemitigeerd structuurregime*) as set forth in the provisions of sections 2:157 up to and including 2:161a and section 2:164 of the Dutch Civil Code, which VIVAT voluntarily applies.

Executive Board

General

The Executive Board is the day-to-day governing body of VIVAT and its business operations, and is responsible for (i) achieving the commercial, operational and financial objectives of VIVAT in the short and long term (group-wide) and (ii) corporate policy development (compliance, risk management, IT and human resources). In performing its role, it carefully weighs the interests of all its stakeholders and acts within established risk frameworks under supervision of the Supervisory Board.

The formal rules for the functioning of the Executive Board are set out in VIVAT's articles of association and in the internal regulations for the Executive Board. The members of the Executive Board have undertaken to abide by the rules contained in these internal regulations. Decisions of the Executive Board are taken by majority of votes. Under the articles of association and the internal regulations, certain decisions of the Executive Board require the approval of the general meeting of shareholders and/or Supervisory Board, such as:

- adoption of the strategy plan and the operational plan;
- acquisitions with a value in excess of EUR 10 million, unless these are within the scope of VIVAT's pre-approved investment policy;
- entering into or terminating contracts with regard to long-term partnerships;
- investments in an amount in excess of 25% of the issued share capital and reserves;
- expanding the business activities of VIVAT in a drastic manner with new initiatives and drastic changes in existing activities;
- a change of the targeted Solvency II margin;
- determination of the risk appetite statement and targeted solvency ratio included within the risk appetite statement;
- amendment of articles of association; and
- voting on shares in the share capital of subsidiaries.

Approval requests should be submitted first to the Supervisory Board and then to the general meeting of shareholders. Furthermore, the Executive Board must comply with general instructions given by its general meeting of shareholders (in the person of its sole shareholder Anbang) regarding instructions for general guidelines regarding financial, social, economic and commercial policy, as well as the policy to be followed regarding risk management (including capital, liquidity and interaction with supervisory authorities such as DNB and the AFM).

The rules also include provisions about continuing education. The members of the Executive Board and Supervisory Board are, for example, obliged to attend three education sessions per year in order to keep their knowledge on the insurance business up to date. The subject matters selected cover matters on insurance, such as new legislation, risk management and integrity.

The general meeting of shareholders of VIVAT (in the person of its sole shareholder Anbang), is entitled to appoint the members of the Executive Board at the general meeting of shareholders and decisions are taken by majority of votes. Only persons of which DNB declared they satisfy the requirements set forth in the licence to conduct the business of an insurer as referred in the DFSA (before convening of the general meeting of shareholders during which the appointment of the members will be dealt with) may be appointed as member of the Executive Board. Anbang appoints members of the Executive Board based on a binding nomination of the Supervisory Board. Anbang has the right to reject a nomination if there are material objections against the nomination in light of the interests of the VIVAT Group. Should Anbang, after a first rejection, also reject the successive nomination of a candidate by the Supervisory Board, Anbang may appoint the member of the Executive Board without nomination of the Supervisory Board.

Each member of the Executive Board may, at any time, be suspended by the Supervisory Board. Members of the Executive Board may also be suspended and removed by the general meeting, but only after having consulted the Supervisory Board, which has an advisory vote, and a lapse of four weeks (except if there are urgent reasons and suspension and removal takes place immediately).

Members of the Executive Board

As at the date of this Offering Memorandum, the Executive Board consists of Ron van Oijen, Yinhua Cao, Lan Tang, Wendy de Ruiter-Lörx, Xiao Wei Wu, and Jeroen Potjes.

The Company's registered address, Burgemeester Rijnderslaan 7, 1185 MD Amstelveen, the Netherlands, serves as the business address for all members of the Executive Board.

There are no potential conflicts of interest between any of the duties of the members of the Executive Board towards VIVAT and the private interests and/or other duties of the members of the Executive Board, except that potential future conflicts of interest could arise as a result of (i) all members of the Executive Board also holding positions with the statutory boards of SRLEV, Proteq and VIVAT Schadeverzekeringen and (ii) Lan Tang, Xiao Wei Wu and Jeroen Potjes currently holding other positions with entities belonging to the Anbang group of companies as set out in more detail below. All members of the Executive Board have a statutory duty to perform their duties in the interest of VIVAT and the business connected with it, thereby taking into account the interests of all relevant stakeholders of VIVAT and not exclusively the interests of Anbang as VIVAT's sole shareholder. Subject to what is discussed above under the heading "*Shareholder: Anbang Group Holdings Co. Ltd.*" the Executive Board is independent in determining the strategy of VIVAT and running its operations.

The following table sets forth the composition of the Executive Board as at the date of this Offering Memorandum.

Executive Board			
Name	Nationality	Position	Date of appointment
J.J.T. (Ron) van Oijen	Dutch	Chief Executive Officer	14 March 2016
Y. (Yinhua) Cao	Chinese	Chief Financial Officer	23 October 2015
L. (Lan) Tang	British	Chief Risk Officer	26 July 2015
W.M.A (Wendy) de Ruiter-Lörx	Dutch	Chief Commercial Officer	24 May 2016
X.W. (Xiao Wei) Wu	Chinese	Chief Transformation Officer	26 July 2015
J.C.A. (Jeroen) Potjes	Dutch	Chief Operating Officer	24 May 2016

J.J.T. (Ron) van Oijen (1961) is chief executive officer. He obtained a master's degree in actuarial

science at the University of Amsterdam, followed by an advanced management programme at the Wharton Business School. Van Oijen started his career at Aegon and ING in the Netherlands. He subsequently worked as chief executive officer of ING Life and ING Bank in the Czech Republic and Slovakia for four years. In Seoul and Hong Kong he lead the large ING Life branches in India, Thailand and South Korea as regional chief executive officer, after which he was appointed as chief executive officer of AIA Thailand. Van Oijen is also a member of the board of the Association of Insurers and president of the Royal Actuarial Association of the Netherlands. In 2017, he was appointed as chairman of the supervisory board of football club NEC.

Y. (Yinhua) Cao (1975) is chief financial officer. He has a bachelor's degree in international finance from the Shanghai University of Economics and Finance. Cao started his career in the financial service sector at PricewaterhouseCoopers in 1998. He was the lead audit partner for large insurance companies and asset management companies, and as the lead partner, he was also involved in various finance and solvency consulting programs for insurers. His last position with PricewaterhouseCoopers was the partner of the financial service group. At Anbang, he commenced as managing director of Anbang Asset Management Hong Kong and finance director of the Anbang Insurance Group. Cao is also a member of the financial and economic committee of the Association of Insurers.

L. (Lan) Tang (1974) is chief risk officer of the Executive Board. He has a bachelor degree in engineering from Beijing University of Aeronautics and Astronautics and a master degree in actuarial science from Central University of Finance and Economics in Beijing. Tang is a qualified actuary of the United Kingdom. He worked as a consulting actuary for an actuarial consulting firm in London, after which he worked for a global actuarial consulting firm in Hong Kong and an accounting firm in China. In 2010, he started to work as the chief actuary of Anbang Life, where his last position was the deputy general manager and chief actuary of Anbang Life. Tang is also chairman of Fidea N.V., as well as a member of the supervisory boards of ACTIAM Beleggingsfondsen N.V., RZL Beleggingsfondsen N.V. and Zwitserleven Beleggingsfondsen. He is also a non-executive director of Bank Nagelmackers NV

W.M.A. (Wendy) de Ruiter-Lörx (1973) is chief commercial officer of the Executive Board. She holds a master's degree in business economics from Erasmus University Rotterdam. She also completed a master's in management & organisation at TIAS Business School in Tilburg. She started her career at ING and Nationale-Nederlanden, where she worked for 15 years, fulfilling various managerial roles in operations and product and process management at both Nationale-Nederlanden and ING Bank. Her most recent position at Nationale-Nederlanden was that of director of retail clients. De Ruiter-Lörx joined Reaal Life as a unit manager in 2012. Two years later, she was appointed director of Reaal's life business in charge of life policies and mortgages. De Ruiter-Lörx is a member of the distribution committee of the Association of Insurers.

X.W. (Xiao Wei) Wu (1980) is chief transformation officer of the Executive Board. She has a bachelor's degree in international finance from the University in Fudan, China, and a master's degree in business administration from China Europe International Business School in Shanghai. She worked as associate principal at McKinsey Shanghai, for the insurance sector in Asia. In 2012, Wu commenced at the Anbang group of companies and subsequently worked as director of strategy, director of IT and director of risk. She is non-executive member and chairwoman of Anbang Belgium Holding NV and Bank Nagelmackers NV.

J.C.A. (Jeroen) Potjes (1965) is chief operating officer of the Executive Board. He earned a master's degree in econometrics from Erasmus University Rotterdam as well as a doctorate in economics from the same university. Potjes joined ING Verzekeringen in 1992; he started out at the head office before being

assigned to Japan between 1997 and 2001 and to Hong Kong until 2008; in Hong Kong, he served as chief financial officer of the insurance business and asset manager of ING Asia Pacific. He returned to the Netherlands in 2008, when he became responsible for the risk management practices of the global insurance business of ING and subsequently NN Group. During this period, Potjes also sat on the supervisory board of ING Re, ING's reinsurance business. Potjes joined Anbang in 2015, one of his roles being that of non-executive director of Anbang Belgium Holding NV. Potjes is also a member of the committee life insurance of the Association of Insurers and a member of the board of SIVI.

Supervisory Board

General

The Supervisory Board is responsible for supervising the management of the Executive Board, the general course of affairs of VIVAT, the business connected with it and providing advice to the Executive Board. Supervision entails, *inter alia*, monitoring realisation of objectives, strategy, risk policies, integrity of business operations and compliance with laws.

The Supervisory Board may, on its own initiative, provide the Executive Board with advice and may request any information from the Executive Board that it deems appropriate. In performing its duties, the Supervisory Board must consider and act in accordance with the interests of VIVAT and the business connected with it. The Executive Board must timely provide the Supervisory Board with the information necessary for the performance of its duties. At least once a year, the Executive Board must provide the Supervisory Board with a written report outlining VIVAT's strategy, the general and financial risks faced by VIVAT and VIVAT's management and control system. The Supervisory Board has the power to make a binding nomination for appointment by the general meeting of shareholders of members of the Executive Board (see also "*Shareholder: Anbang Group Holdings Co. Ltd.*").

The Supervisory Board meets at least six times per year in accordance with an annual schedule. Decisions of the Supervisory Board are taken by a majority of votes. The Supervisory Board has drawn up internal regulations that elaborate and expand on a number of provisions from the articles of association. These regulations set out additional powers. All members of the Supervisory Board have declared their acceptance of these regulations and have undertaken to abide by the rules contained therein.

The members of the Supervisory Board are appointed by the general meeting of shareholders of VIVAT (in the person of its sole shareholder Anbang) upon nomination of the Supervisory Board. The nomination of the Supervisory Board should include candidates recommended by the general meeting of shareholders for no less than 49% of the total number of Supervisory Board members. One Supervisory Board member is recommended by the works council (*ondernemingsraad*). The appointment of members of the Supervisory Board requires approval by DNB.

Members of the Supervisory Board

As at the date of this Offering Memorandum, the Supervisory Board consists of Maarten Dijkshoorn, Miriam van Dongen, Pierre Lefèvre, Ming He and Kevin Shum. Members of the Supervisory Board are appointed (in principle by the general meeting of shareholders) for a term of four years. Reappointment for a further four year period may only take place twice, and only after careful consideration. For appointments and reappointments of members of the Supervisory Board, regard should be had to the profile outline of the Supervisory Board, the functioning of the director in question, the term of the total appointment and other criteria.

The Company's registered address, Burgemeester Rijnderslaan 7, 1185 MD Amstelveen, the

Netherlands, serves as the business address for all members of the Supervisory Board.

There are no potential conflicts of interest between any of the duties of the members of the Supervisory Board towards VIVAT and the private interests and/or other duties of the members of the Supervisory Board, except that potential future conflicts of interest could arise as a result of (i) all members of the Supervisory Board holding positions with the supervisory boards of SRLEV, Proteq and VIVAT Schadeverzekeringen and (ii) Pierre Lefèvre, Ming He and Kevin Shum also holding other positions within the Anbang group of companies as set out in more detail below. All members of the Supervisory Board have a statutory duty to perform their duties in the interest of VIVAT, thereby taking into account the interests of all relevant stakeholders of VIVAT and the business connected with it, and not exclusively the interests of Anbang as VIVAT's sole shareholder.

The following table sets forth the composition of the Supervisory Board as at the date of this Offering Memorandum.

Supervisory Board*			
Name	Nationality	Position	Date of appointment
M.W. (Maarten) Dijkshoorn	Dutch	Chairman	23 December 2016
M.R. (Miriam) van Dongen	Dutch	Member	26 July 2015
P.P.J.L.M.G. (Pierre) Lefèvre	Belgian	Member	26 July 2015
M. (Ming) He	American	Member	26 July 2015
K.C.K. (Kevin) Shum	British	Member	26 July 2015

* The members of the Supervisory Board are also the members of the supervisory boards of SRLEV, Proteq and VIVAT Schadeverzekeringen.

M.W. (Maarten) Dijkshoorn was appointed as chairman of the Supervisory Board on 23 December 2016. He is member of the remuneration and nomination committee, member of the risk committee and a member of the audit committee. Dijkshoorn has worked in the financial services industry for more than 40 years. From 2002 to 2009, he was chief executive officer and chief operational officer of Eureko B.V. (Achmea). Prior to that, Dijkshoorn held various management functions within Nationale-Nederlanden for 25 years. He was, until recently, supervisory board member of Monuta and MediRisk and chairman of the supervisory board of de Goudse Verzekeringen N.V.

M.R. (Miriam) van Dongen was appointed as member of the Supervisory Board on 26 July 2015. She is chair of the audit committee and member of the risk committee and the remuneration and nomination committee. She has over 20 years of experience in corporate finance, business strategy and in the financial services industry. In 2007, Van Dongen joined Achmea B.V./Eureko B.V. as chief financial officer of the health division. She holds various supervisory board positions and is the chair of the audit committees of these supervisory boards. Van Dongen currently serves as supervisory board member and the chair of the audit committee of CB Logistics and PGGM N.V. She is also member of the supervisory board of Optiver. Recently, she has been appointed member of the Supervisory Council and chair of audit committee of The Netherlands' Kadaster (land registry) and board member of Stichting Administratiekantoor Aandelen KAS BANK. and member of the risk committee and member of the remuneration and nomination committee.

P.P.J.L.M.G. (Pierre) Lefèvre was appointed as member of the Supervisory Board on 26 July 2015. He

is chairman of the risk committee and member of the audit committee. After his studies in mechanical engineering and industrial administration, Lefèvre became internal auditor at Unilever before joining AXA Belgium NV in Belgium as a financial controller. He continued his career with AXA Belgium as general manager for Individual Life and later on as general manager for P&C Personal Lines. In 1994, he moved to AXA United Kingdom plc. as chief executive officer of the P&C insurance business and was subsequently appointed chairman of the board. In 1998 he was appointed as chief executive officer of AXA Netherlands. Between 2002 and 2013 Lefèvre fulfilled various chief executive officer roles in subsidiaries of Groupama SA. Since 2013, Lefèvre has acted as independent non-executive director and chair of the risk committee of Hasting Insurance Group Holdings PLC and, since 2014 as senior advisor of Eurohold Corporate Finance, SL. He also serves as an independent non-executive director and chairman of the risk committee of Advantage Insurance Company Limited and as non-executive director of Anbang Belgium Holding NV. He is also an independent non-executive director, member of the nomination and governance committee and chairman of the audit, risk and compliance committee of Fidea NV.

M. (Ming) He was appointed as member of the Supervisory Board on 26 July 2015. He is member of the audit committee. He went Chengdu University of technology in China for his college education and completed a bachelor degree in 1982. He obtained a master degree at Bowling Green State University in 1992 and a MBA at the American Graduate School of International Management in 1998. He started his career at the Superior Environment Corporation in 1992 as an environmental engineer. In 2009, he joined Anbang Insurance Group Co., Ltd. as chief investment director of Anbang Property & Casualty Insurance Co., Ltd. In 2012, he was appointed as director and general manager of Anbang Asset Management. He is chief executive officer of AB Win Win II LP.

K.C.K. (Kevin) Shum was appointed as member of the Supervisory Board on 26 July 2015. He is chair of the remuneration and nomination committee and member of the risk committee. Shum joined Anbang Insurance Group in March 2014. . With over 20 years' experience in the financial industry, Shum is a qualified solicitor of England & Wales, a solicitor of Hong Kong, a member of the Chartered Institute of Arbitrators in the UK and is a Chartered Financial Analyst in the US. Prior to joining Anbang, Shum worked as a private practitioner at Coudert Brothers LLP and at Jun He Law Offices, as counsel for private equity firm Alliance Capital Asia Limited and a hedge fund under CCIB Asset Management Co. Limited. He currently serves as Executive Director, Legal and Compliance for Anbang Overseas Holdings Co. Limited, is a non-executive director of Fidea NV (chairman of governance, nomination and remuneration committee) as well as a member of the supervisory boards of ACTIAM Beleggingsfondsen N.V., RZL Beleggingsfondsen N.V. and Zwitserleven Beleggingsfondsen.

TAXATION

Dutch Taxation

This chapter outlines the principal Dutch tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes. It does not present a comprehensive or complete description of all aspects of Dutch tax law which could be of relevance to Noteholders. For Dutch tax purposes, a Noteholder may include an individual who, or an entity that, does not hold the legal title of the Notes, but to whom nevertheless the Notes, or the income thereof, are attributed based either on such individual or entity owning a beneficial interest in the Notes or based on specific statutory provisions. These include statutory provisions pursuant to which Notes are attributed to an individual who is, or who has directly or indirectly inherited from a person who was, the settlor, grantor or similar originator of a trust, foundation or similar entity that holds the Notes.

This chapter is intended as general information only. A prospective Noteholder should consult his own tax adviser regarding the tax consequences of any acquisition, holding or disposal of Notes.

This chapter is based on Dutch tax law as applied and interpreted by Dutch tax courts and as published and in effect on the date of the Offering Memorandum, including, for the avoidance of doubt, the tax rates applicable on the date hereof, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

Any reference in this chapter made to Dutch taxes, Dutch tax or Dutch tax law must be construed as a reference to taxes of whatever nature levied by or on behalf of the Netherlands or any of its subdivisions or taxing authorities or to the law governing such taxes, respectively. Any reference in this chapter made to 'the Netherlands' must be construed as a reference to the part of the Kingdom of the Netherlands located in Europe.

Any reference hereafter made to a treaty for the avoidance of double taxation concluded by the Netherlands includes the Tax Regulation for the Kingdom of the Netherlands (*Belastingregeling voor het Koninkrijk*), the Tax Regulation for the country of the Netherlands (*Belastingregeling voor het land Nederland*), the Tax Regulation the Netherlands Curacao (*Belastingregeling Nederland Curacao*), the Tax Regulation the Netherlands Saint Martin (*Belastingregeling Nederland Sint Maarten*) and the Agreement between the Taipei Representative Office in the Netherlands and the Netherlands Trade and Investment Office in Taipei for the avoidance of double taxation.

This chapter does not describe the possible Dutch tax considerations or consequences that may be relevant to a Noteholder:

- (i) who is an individual and for whom the income or capital gains derived from the Notes are attributable to employment activities, the income from which is taxable in the Netherlands;
- (ii) who has, or that has, a substantial interest (*aanmerkelijk belang*) or a fictitious substantial interest (*fictief aanmerkelijk belang*) in VIVAT within the meaning of chapter 4 of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*). Generally, a substantial interest in VIVAT arises if the Noteholder, alone or – in case of an individual – together with his partner, owns or holds certain rights over, including rights to, directly or indirectly, acquire, shares representing, directly or indirectly, 5% or more of the issued capital of VIVAT or of the issued capital of any class of shares;

- (iii) that is an entity that is, pursuant to the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*) (the "**CITA**"), not subject to Dutch corporate income tax or is in full or in part exempt from Dutch corporate income tax (such as a qualifying pension fund); and
- (iv) that is an investment institution (*fiscale beleggingsinstelling*) as described in Section 6a or 28 CITA.

Withholding Tax

All payments made by VIVAT under the Notes may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Taxes on Income and Capital Gains

Residents of the Netherlands

The description of certain Dutch tax consequences in this chapter is only intended for the following Noteholders:

- (i) individuals who are resident or deemed to be resident of the Netherlands ("**Dutch Individuals**"); and
- (ii) entities or enterprises that are subject to the CITA and are resident or deemed to be resident of the Netherlands ("**Dutch Corporate Entities**").

Dutch Individuals engaged or deemed to be engaged in an enterprise or in miscellaneous activities

Dutch Individuals engaged or deemed to be engaged in an enterprise or in miscellaneous activities (*resultaat uit overige werkzaamheden*) are generally subject to income tax at statutory progressive rates with a maximum of 51.95% with respect to any benefits derived or deemed to be derived from the Notes, including any capital gains realised on the disposal thereof, that are attributable to:

- (i) an enterprise from which a Dutch Individual derives profits, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement (*medegerechtigde*) to the net worth of such enterprise other than as an entrepreneur or a shareholder; or
- (ii) miscellaneous activities, including, without limitation, activities which are beyond the scope of active portfolio investment activities (*meer dan normaal vermogensbeheer*).

Dutch Individuals not engaged or deemed to be engaged in an enterprise or in miscellaneous activities

Generally, the Notes held by a Dutch Individual who is not engaged or deemed to be engaged in an enterprise or in miscellaneous activities, will be subject annually to an income tax imposed on a fictitious yield on such Notes. The Notes held by such Dutch Individual will be taxed under the regime for savings and investments (*inkomen uit sparen en beleggen*). Irrespective of the actual income or capital gains realised, the annual taxable benefit of the assets and liabilities of a Dutch Individual that are taxed under this regime, including the Notes, is set at a percentage of the positive balance of the fair market value of such assets, including the Notes, and the fair market value of such liabilities.

For the purpose of the fiscal year 2018, the percentage increases:

- from 2.02% of such positive balance from EUR 0 up to EUR 70,800;
- to 4.33% of such positive balance over EUR 70,800 up to EUR 978,000; and
- to a maximum of 5.38% of such positive balance over EUR 978,000.

No taxation occurs if such positive balance does not exceed a certain threshold (*heffingvrij vermogen*) (EUR 30,000 in 2018). The fair market value of assets, including the Notes, and liabilities that are taxed under this regime is measured, in general, exclusively on 1 January of every calendar year. The tax rate under the regime for savings and investments is a flat rate of 30%.

Dutch Corporate Entities

Dutch Corporate Entities are generally subject to corporate income tax at statutory rates up to 25% with respect to any benefits derived or deemed to be derived from the Notes, including any capital gains realised on the disposal thereof.

Non-Residents of the Netherlands

The description of certain Dutch tax consequences in this chapter is only intended for the following Noteholders:

- individuals who are not resident and not deemed to be resident of the Netherlands ("**Non-Dutch Individuals**"); or
- entities that are not resident and not deemed to be resident of the Netherlands ("**Non-Dutch Corporate Entities**").

Non-Dutch Individuals

A Non-Dutch Individual will not be subject to any Dutch taxes on income or capital gains in respect of the purchase, ownership and disposal or transfer of the Notes, except if:

- (i) the Non-Dutch Individual derives profits from an enterprise, whether as entrepreneur or pursuant to a co-entitlement to the net worth of such enterprise other than as an entrepreneur or a shareholder, which enterprise is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands, to which the Notes are attributable;
- (ii) the Non-Dutch Individual derives benefits from miscellaneous activities carried out in the Netherlands in respect of the Notes, including (without limitation) activities which are beyond the scope of active portfolio investment activities; or
- (iii) the Non-Dutch Individual is entitled to a share in the profits of an enterprise, other than by way of securities, which enterprise is effectively managed in the Netherlands and to which enterprise the Notes are attributable.

Non-Dutch Corporate Entities

A Non-Dutch Corporate Entity will not be subject to any Dutch taxes on income or capital gains in respect of the purchase, ownership and disposal or transfer of the Notes, except if:

- (i) the Non-Dutch Corporate Entity derives profits from an enterprise, whether as entrepreneur or pursuant to a co-entitlement to the net worth of such enterprise other than as an entrepreneur or a shareholder, which enterprise is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands, to which the Notes are attributable; or
- (ii) the Non-Dutch Corporate Entity is entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, other than by way of securities, which enterprise is

effectively managed in the Netherlands and to which enterprise the Notes are attributable.

Under certain specific circumstances, Dutch taxation rights could be restricted pursuant to treaties for the avoidance of double taxation.

Dutch Gift Tax or Inheritance Tax

No Dutch gift tax or inheritance tax is due in respect of any gift of the Notes by, or inheritance of the Notes on the death of, a Noteholder, except if:

- (i) at the time of the gift or death of the Noteholder, the Noteholder is resident, or is deemed to be resident, of the Netherlands;
- (ii) the Noteholder passes away within 180 days after the date of the gift of the Notes while being, or being deemed to be, resident of the Netherlands at the time of his death but not at the time of the gift; or
- (iii) the gift of the Notes is made under a condition precedent and the Noteholder is resident, or is deemed to be resident, of the Netherlands at the time the condition is fulfilled.

Other Taxes and Duties

No Dutch taxes of a documentary nature, such as capital tax, stamp or registration tax or duty, are payable by the Company or by or on behalf of the Noteholder by reason only of the issue, acquisition or transfer of the Notes.

Residency

A Noteholder will not become resident, or deemed resident, of the Netherlands by reason only of holding the Notes.

Automatic Exchange of Information

The OECD released the Common Reporting Standard ("**CRS**") and its Commentary on 21 July 2014. Over 60 countries, including the Netherlands, have publicly committed to implement the CRS. Besides CRS, the EU has adopted Council Directive 2011/16/EU on administrative co-operation in the field of taxation (as amended by Council Directive 2014/107/EU and as amended further by Council Directive 2015/2376) ("**DAC**"). The Netherlands has implemented CRS and DAC in the *Wet internationale bijstandsverlening bij de heffing van belastingen* ("**WIB**"). If the country of tax residence is a country with which the Netherlands exchanges information under the WIB, the Netherlands will automatically exchange financial account information of the Noteholder with this state via the Dutch tax authorities.

SUBSCRIPTION AND SALE

Each of ABN AMRO Bank N.V., BNP Paribas, Deutsche Bank AG, London Branch and NatWest Markets Plc (the "**Joint Lead Managers**") will, pursuant to a subscription agreement to be entered into on or about the Closing Date (the "**Subscription Agreement**"), agree to subscribe or procure subscribers for the Notes at the issue price of 100% of the principal amount of the Notes, less certain agreed commissions. VIVAT will also reimburse the Joint Lead Managers in respect of certain of their expenses incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment of VIVAT. In such event, no Notes will be delivered to the Joint Lead Managers.

United States

The Notes have not been, and will not be, registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to the registration requirements of the Securities Act.

The Joint Lead Managers have agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Closing Date within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered or sold or delivered to a person who is within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings assigned to them by the U.S. Internal Revenue Code and U.S. Treasury regulations issued thereunder.

In addition, until 40 days after the completion of the distribution of all Notes, an offer or sale of Notes within the United States by the Joint Lead Managers (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or
- (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the **Insurance Mediation Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United Kingdom

The Joint Lead Managers have represented and agreed that:

- (i) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to VIVAT.

The Netherlands

Each Joint Lead Manager has represented and agreed that any Notes will only be offered in the Netherlands to qualified investors (*gekwalificeerde beleggers*) as defined in the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

Hong Kong

Each Joint Lead Manager has represented and agreed that,

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Singapore

This Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore, and the Notes will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the "**Securities and Futures Act**"). Accordingly, the Notes may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Offering Memorandum or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person under Section 275(1) of the Securities and Futures Act or to any person pursuant to Section 275(1A) of the Securities and Futures Act and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where the Notes are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person which is:

- a. a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and

- Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor;
- b. a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor,
- securities (as defined in Section 239(1) of the Securities and Futures Act) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the Notes pursuant to an offer under Section 275 of the Securities and Futures Act except:
- i. to an institutional investor or to a relevant person defined in Section 275(2) of the Securities and Futures Act or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the Securities and Futures Act; or
 - ii. where no consideration is or will be given for the transfer; or
 - iii. where the transfer is by operation of law; or
 - iv. pursuant to Section 276(7) of the Securities and Futures Act or Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations.

General

No action has been taken in any jurisdiction by the Joint Lead Managers or VIVAT that would permit a public offering of the Notes, or possession or distribution of this Offering Memorandum in any country or jurisdiction where action for that purpose is required.

The Joint Lead Managers have agreed that it will (to the best of its knowledge and belief) comply in all material respects with all applicable securities laws and regulations in force in any jurisdiction in which it acquires, offers, sells or delivers the Notes or has in its possession or distributes this Offering Memorandum.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Offering Memorandum and have been filed with the Irish Stock Exchange, shall be deemed to be incorporated in, and to form part of, this Offering Memorandum:

- (a) VIVAT's publicly available annual report 2016 (English version), pages 50 to 200 (inclusive), containing the audited consolidated financial statements of the VIVAT Group and company financial statements of VIVAT (including the notes thereto and the independent auditor's report thereon) in respect of the financial year ended 31 December 2016;
- (b) VIVAT's publicly available annual report 2017 (English version), pages 52 to 211 (inclusive), containing the audited consolidated financial statements of the VIVAT Group and company financial statements of VIVAT (including the notes thereto and the independent auditor's report thereon) in respect of the financial year ended 31 December 2017; and
- (c) The articles of association (*statuten*) of VIVAT dated 26 July 2015.

Those parts of the documents referred to above which are not incorporated by reference are, to the extent that such information is relevant for the investors, covered elsewhere in this Offering Memorandum.

Physical copies of the documents referred to above can be obtained without charge at the office of VIVAT (Burgemeester Rijnderslaan 7, 1185 MD Amstelveen, the Netherlands), at the specified office of the Fiscal Agent (Winchester House, 1 Great Winchester Street, EC2N 2DB London, United Kingdom). Furthermore, this Offering Memorandum and all of the documents which are deemed to be incorporated herein by reference will be available on the website of VIVAT: www.vivat.nl. Written or oral requests for such documents should be directed to VIVAT at its office set out at the end of this Offering Memorandum.

GENERAL INFORMATION

Authorisation

The issue and offering of the Notes were duly authorised by a resolution of the Executive Board passed on 29 May 2018 and approved by a resolution of the Supervisory Board passed on 29 May 2018.

Issue Date

The issue date of the Notes is expected to be on or about 19 June 2018.

Listing and Trading

Application has been made for listing particulars to be approved by the Irish Stock Exchange and for the notes to be admitted to the Official List of the Irish Stock Exchange and admitted to trading on its Global Exchange Market on the commencing on 19 June 2018. The costs to VIVAT in connection with the listing and admission to trading of the Notes are approximately EUR 5,000.

Clearing Systems

The Notes have been accepted for clearing and settlement through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records) with a Common Code of 183594656. The ISIN for the Notes is XS1835946564.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg.

Listing and Fiscal Agent

Deutsche Bank AG, London Branch has been engaged by VIVAT as (i) Fiscal Agent for the Notes, upon the terms and subject to the conditions set out in the Agency Agreement, for the purpose of paying sums due on the Notes and of performing all other obligations and duties imposed on it by the Terms and Conditions and the Agency Agreement, and (ii) as calculation agent ("**Calculation Agent**") to perform the duties set out in the Agency Agreement. Deutsche Bank Luxembourg S.A. has been engaged by VIVAT as Listing Agent for the Notes and is not itself seeking admission to trading of the Notes on the Global Exchange Market of the Irish Stock Exchange.

Deutsche Bank AG, London Branch, in its capacity of Fiscal Agent, Calculation Agent, and Deutsche Bank Luxembourg S.A., in its capacity as Listing Agent, are acting for VIVAT only and will not regard any other person as its client in relation to the offering of the Notes. Neither Deutsche Bank AG, London Branch, Deutsche Bank Luxembourg S.A. nor any of their directors, officers, agents or employees makes any representation or warranty, express or implied, or accepts any responsibility, as to the accuracy, completeness or fairness of the information or opinions described or incorporated by reference in this Offering Memorandum, in any investor report or for any other statements made or purported to be made either by itself or on its behalf in connection with VIVAT or the offering of the Notes. Accordingly, Deutsche Bank AG, London Branch and Deutsche Bank Luxembourg S.A. disclaim all and any liability, whether arising in tort or contract or otherwise, in respect of this Offering Memorandum and or any such other statements.

Yield

The effective yield of the Notes to (but excluding) the First Call Date 7.123% per annum. The yield is calculated at the Issue Date.

Significant or Material Change

There has been no significant change in the financial or trading position of the VIVAT Group or VIVAT since 31 December 2017, being the end date of the last financial period for which audited financial information has been published.

There has been no material adverse change in the prospects of the VIVAT Group or VIVAT since 31 December 2017, being the end date of the last financial period for which audited financial information has been published.

Documents Available for Inspection

So long as the Notes are outstanding, physical copies of the following documents will, when published, be available free of charge at the registered offices of VIVAT (Burgemeester Rijnderslaan 7, 1185 MD Amstelveen, the Netherlands) and at the specified office of the Fiscal Agent:

- (a) VIVAT's publicly available annual report 2016 (English version), pages 50 to 200 (inclusive), containing the audited consolidated financial statements of the VIVAT Group and company financial statements of VIVAT (including the notes thereto and the independent auditor's report thereon) in respect of the financial year ended 31 December 2016;
- (b) VIVAT's publicly available annual report 2017 (English version), pages 52 to 211 (inclusive), containing the audited consolidated financial statements of the VIVAT Group and company financial statements of VIVAT (including the notes thereto and the independent auditor's report thereon) in respect of the financial year ended 31 December 2017
- (c) The articles of association (*statuten*) of VIVAT dated 26 July 2015; and
- (d) The Agency Agreement.

Electronic copies of the documents listed above, will also be available on the website of VIVAT: www.vivat.nl.

Interest Material to the Offer

Save for the commissions and any fees payable to the Joint Lead Managers, no person involved in the issue of the Notes has an interest, including conflicting ones, material to the offer.

Joint Lead Managers transacting with the Issuer

Certain of the Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, VIVAT and/or its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of VIVAT or its affiliates. Certain of the Joint Lead Managers or their affiliates that have a lending relationship with VIVAT routinely hedge their credit exposure consistent with their customary risk management policies. Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such positions could adversely affect future trading prices of the Notes. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold,

or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Website

This Offering Memorandum as well as the documents listed in the chapter "*Documents incorporated by reference*" and under the heading "*Documents available for inspection*" above are available on VIVAT's website at www.vivat.nl under the heading "*investors*". Information on VIVAT's website does not form part of this Offering Memorandum and may not be relied upon in connection with any decision to invest in the Notes.

Auditors

Ernst & Young Accountants LLP ("**EY**") independent auditors, have audited, and rendered an unqualified auditor's report on VIVAT's financial statements for the financial year ended 31 December 2016 and the financial year ended 31 December 2017.

EY has given, and has not withdrawn, its written consent to the inclusion of its reports and the references to themselves herein in the form and context in which they are included. EY has no interest in VIVAT or the VIVAT Group.

The auditor who signs on behalf of EY is a member of the Royal Netherlands Institute of Chartered Accountants (*Koninklijke Nederlandse Beroepsorganisatie van Accountants*). The business address of EY is Cross Towers, Antonio Vivaldistraat 150, 1083 HP Amsterdam, The Netherlands.

Ratings

At the date of this Offering Memorandum, VIVAT has a BBB (evolving) issuer default rating from Fitch.

DEFINITIONS

The following definitions are used in this Offering Memorandum:

4th EU AML/CFT Directive	Directive (EU) No 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC
5th EU AML/CFT Directive	The Directive of the European Parliament and of the Council amending the 4 th EU AML/CFT Directive, political agreement on which was reached in December 2017
ACTIAM	ACTIAM N.V.
Additional Amounts	Such additional amounts to be paid by VIVAT as shall result in receipt by the Noteholders and Couponholders of such amounts as would have been received by them had no withholding or deduction been required in respect of any present or future taxes or duties whatsoever levied by the Netherlands
AFM	The Netherlands Authority for the Financial Markets (<i>Stichting Autoriteit Financiële Markten</i>)
Agency Agreement	An agency agreement dated 19 June 2018 (as amended and/or supplemented and/or restated from time to time)
Anbang	Anbang Group Holdings Co. Ltd
Audit Committee	The audit committee of the Supervisory Board
Audit VIVAT	The independently operating (third line) audit function of VIVAT which has a supervising role assessing the proper functioning of the risk management system (including the interaction between the first and second line)
Asset Management	Asset Management product line
BRRD	Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms
Business Day	In relation to any place, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in that place
Calculation Agent	Deutsche Bank AG, London Branch
CIRC	The China Insurance Regulatory Commission
CITA	Dutch Corporate Income Tax Act 1969 (<i>Wet op de vennootschapsbelasting 1969</i>)
Clearstream, Luxembourg	Clearstream Banking, S.A.
Closing Date	On or about 19 June 2018
Compensation Agreement	A settlement agreement between SRLEV and several organisations representing policyholders dated 15 November 2010
COR	Combined overall ratio
Couponholders and the Coupons	The holders of the interest coupons appertaining to the Notes

CRA	Credit risk adjustment
CRS	The common reporting standard released by the OECD on 21 July 2014
CSW	Draft legislation that implements the EU Network and Information Security Directive (Directive 2016/1148). The CSW has been introduced to the Dutch House of Representatives (<i>Tweede Kamer</i>) in February 2018.
DAC	Council Directive 2011/16/EU on administrative co-operation in the field of taxation (as amended by Council Directive 2014/107/EU and as amended further by Council Directive 2015/2376)
Decree	A decree issued by the Minister on 1 February 2013 pursuant to sections 6:2 and 6:4 of the DFSA
DFSA	Dutch Financial Supervision Act (<i>Wet op het financieel toezicht</i>)
DNB	Dutch Central Bank
DNO	Declaration of no objection (<i>verklaring van geen bezwaar</i>)
DPA	Dutch Data Protection Authority
Dutch Corporate Entities	Entities or enterprises that are subject to the CITA and are resident or deemed to be resident of the Netherlands
Dutch Individuals	Individuals who are resident or deemed to be resident of the Netherlands
Dutch Intervention Act	Dutch Intervention Act of 13 June 2012 (<i>Wet bijzondere maatregelen financiële ondernemingen</i>)
EC	European Commission
EIOPA	European Insurance and Occupational Pensions Authority
Electronic Consent	Approval of a resolution proposed by VIVAT given by way of electronic consents communicated through the electronic communications systems of the relevant Clearing System(s) in accordance with their operating rules and procedures
EMIR	Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories
Encumbrance	Any mortgage, charge, pledge, lien or other encumbrance
ESG	Environmental Social Governance
EU Member States	Member states of the European Union
Euroclear	Euroclear Bank S.A./N.V.
Eurosystem	The central banking system for the euro
Executive Board	VIVAT's executive board (<i>raad van bestuur</i>)
EY	Ernst & Young Accountants LLP
FATCA	Foreign Account Tax Compliance Act
FCA	U.K. Financial Conduct Authority
FFI	A non-U.S. foreign financial institution
FFI Agreement	An agreement with the United States Internal Revenue Service, under which an FFI agrees to comply with certain reporting, client due diligence and withholding requirements
Fiscal Agent	Deutsche Bank AG, London Branch
FSMA	Financial Services and Markets Act 2000
FTT	Financial transaction tax

GDPR	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data
General Meeting	VIVAT's general meeting of shareholders (<i>algemene vergadering van aandeelhouders</i>)
Group	VIVAT and its subsidiaries within the meaning of Section 2:24b of the Dutch Civil Code
ICSDs	Euroclear and Clearstream, together the international central securities depositories
IFRS	International Financial Reporting Standards
IGA	Inter-governmental agreement between a local government and the U.S. to facilitate the implementation of FATCA
Individual Life	Individual Life product line
Insurance Distribution Directive or IDD	Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution
Interest Payment Date	19 June and 19 December in each year, commencing on 19 December 2018
Investor's Currency	Investor's financial activities denominated principally in a currency or currency unit
IRC	Insurer's Risk Committee
Irish Stock Exchange	The Irish Stock Exchange plc trading as Euronext Dublin
Issuer	VIVAT N.V.
Joint Lead Managers	ABN AMRO Bank N.V., BNP Paribas, Deutsche Bank AG, London Branch and NatWest Markets Plc
KID	Key information document
KiFiD	The Financial Services Complaints Institute
LAT	The IFRS liability adequacy test
Life Corporate	Life Corporate product line
LLP	Last liquid point
MA	Matching adjustment
Material Subsidiary	Any Subsidiary of VIVAT, which is a licensed bank or an insurer within the meaning of the DFSA
MGC	Model Governance Committee
MiFIR	Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012
Minister	The Dutch Minister of Finance
Mortgage Credit Directive	Directive 2014/17/EU of 4 February 2014 of the European Parliament and of the Council on credit agreements for consumers relating to residential immovable property and amending Directives 2008/48/EC and 2013/36/EU and Regulation (EU) No 1093/2010
Non-Dutch Corporate Entities	Entities that are not resident and not deemed to be resident of the Netherlands
Non-Dutch Individuals	Individuals who are not resident and not deemed to be resident of the Netherlands
NOPs	Non-accumulating policies (<i>niet opbouwende polissen</i>)
Noteholders	The holders of the Notes

Notes	The EUR 300,000,000 perpetual restricted tier 1 notes issued by VIVAT
Offering Memorandum	This offering memorandum dated 15 June 2018
Order	Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended
ORSA	The own risk and solvency assessment requiring insurers to undertake a self-assessment of their risks, corresponding solvency requirements and adequacy of own funds
OTC	Over-the-counter
P&C	Property & Casualty
Participating Member States	11 participating EU Member States, being Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain, which would together constitute the FTT-zone
Paying Agents	The Fiscal Agent and other initial paying agents named in the Agency Agreement
PEP's	Politically exposed persons
PMPC's	Product Market Pricing Committees
PRIIPS	Packaged Retail Investment and Insurance Products
PRIIPS Regulation	Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs)
Profit Sharing Policies	The rights of policyholders to receive additional benefit payments over and above any insured or guaranteed capital
P&C	Property & Casualty product line
Prospectus Directive	Directive No 2003/71/EC as amended which includes the amendments made by Directive No 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area)
Proteq	Proteq Levensverzekeringen N.V.
RC	Risk Committee of the Supervisory Board
RCF	A EUR 200 million revolving credit facility entered into by VIVAT with a group of leading European banks
Renewed Joint Statement	Joint statement signed by ten of the Participating Member States reaffirming their commitment, expressed in their joint statement issued in May 2014, to implement an EU FTT from 1 January 2016
Risk Management System	The VIVAT risk management system
RSR	Regular Supervisory Reporting
SCR	Solvency capital requirement
Securities Act	United States Securities Act of 1933, as amended
SFCR	Solvency and Financial Condition Report
Solvency II	The new solvency framework and prudential regime consisting of a European Directive (No 2009/138/EC) to be implemented in Dutch law as per 1 January 2016, a European Regulation ((EU) No 2015/35) and a number of technical standards and guidelines issued by EIOPA
SRCM	Solvency Reporting Chain Management
SRLEV	SRLEV N.V.
Stabilising Manager	Deutsche Bank AG, London Branch or any person acting on behalf of the Stabilising Manager
State	The state of the Netherlands

Subscription Agreement	A subscription agreement to be entered into on or about the Closing Date, in which the Joint Lead Managers agree to subscribe or procure subscribers for the Notes
Subsidiary	A subsidiary within the meaning of Section 2:24a of the Dutch Civil Code
Supervisory Board	VIVAT's supervisory board (<i>raad van commissarissen</i>)
TARGET2 Settlement Day	Any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open
Temporary Global Note	A temporary global note representing the Notes
Terms and Conditions	The terms and conditions of the Notes
UFR	Ultimate forward rate
U.S.	United States of America
U.S. Internal Revenue Code	Internal Revenue Code of 1986, as amended
VA	Volatility adjustment
VIVAT	VIVAT N.V.
VIVAT Group	VIVAT and its subsidiaries within the meaning of Section 2:24b of the Dutch Civil Code
VIVAT Risk Committee	The VIVAT risk committee
VIVAT Schadeverzekeringen	VIVAT Schadeverzekeringen N.V. (formerly Reaal Schadeverzekeringen N.V.)
Volksbank	De Volksbank N.V. (formerly SNS Bank N.V.)
WGMC	New legislation that requires the mandatory notification of serious security breaches in the key ICT systems and provides rules on processing of personal data related to cyber security incidents (<i>Wet gegevensverwerking en meldplicht cybersecurity</i>)
WIB	<i>Wet internationale bijstandsverlening bij de heffing van belastingen</i>

REGISTERED OFFICES OF

VIVAT N.V.

*Burgemeester Rijnderslaan 7
1185 MD Amstelveen
the Netherlands*

AGENTS

LISTING AGENT

**DEUTSCHE BANK LUXEMBOURG
S.A.**

*2, Boulevard Konrad Adenauer
1115 Luxembourg
Luxembourg*

CALCULATION AGENT

**DEUTSCHE BANK AG, LONDON
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