VIVAT
1H20 results

9 September 2020

Significant strategic progress and stable financial performance in 1H20

Financial performance

Gross premium income	Operating expenses	Net underlying result	Solvency II VIVAT	Solvency II SRLEV
€937m	€117m	€141m	160%	159%
1H19: €955m	1H19: €126m	1H19: €151m	YE19: 170%	YE19: 163%

1H20 highlights

- Athora completed its acquisition of VIVAT and the sale of VIVAT Non-life to NN Group
- VIVAT received a €400m capital injection from its new shareholder enabling substantial asset repositioning throughout 1H20

- Strategy review complete: VIVAT will focus on Pension Solutions, operating under a single strong brand: Zwitserleven
- A substantial investment will be made to boost new Pension Solutions initiatives
- The refocused organisation will be targeting a 30% reduction of the total cost base within three years

- Net Underlying Result decreased marginally by €10m to €141m driven by a lower investment income as a result of prudent rebalancing of investments in 4Q19
  - ~€5bn of investment grade credit was bought in 1H20 at attractive spreads
- Gross premium income robust at €937m despite the challenging market conditions. The impact of the shrinking individual life market was almost fully offset by a 6% increase of premium income at Life Corporate
- Total operating costs continued to improve with a 7% decrease as a result of the ongoing cost saving effort

- 160% VIVAT Solvency II ratio resilient despite market volatility and sale of VIVAT Non-Life whilst also absorbing higher capital requirement from asset repositioning – SRLEV Solvency II ratio broadly stable at 159%
- Material reduction in leverage from 28% to 20% following tender on €650m Senior notes of which €61m remains outstanding

Overall limited impact from Covid-19

- VIVAT's main concern throughout the pandemic has been to support and ensure the best care for customers, employees and other stakeholders
- As a result of VIVAT's digitisation efforts in previous years and relatively high prevalence of working-from-home in any case, the company experienced limited operational issues during Covid-19 Lockdown
- VIVAT met its customer service levels and all processes performed well; VIVAT helped customers with financial problems where it could, although very limited requests for payment deferrals were received.
- Covid-19 market dislocation allowed VIVAT to start purchasing IG credit at attractive levels in 1Q20 (see slide 12 for further detail)
- The impact of Covid-19 on the results was limited
- VIVAT will continue to closely monitor the development of the coronavirus outbreak and the impact on its financial and operational conditions

Strategy Review: VIVAT will focus on Pension Solutions

Organisation

- Less complex and focused on life only following sale of VIVAT non-life to NN Group
- Covid-19 has evidenced potential for further digitalization and automation
- Potential for operational synergies with Athora Group across several functions

Strategic environment

Market dynamics

- Search for certainty in old age by customers
- Retrenchment in guaranteed product providers
- Ongoing pension reform in the Netherlands
- Pension schemes looking for derisking solutions
- Shrinking individual life market

VIVAT strengths

- Exceptional and well recognised brand: Zwitserleven
- Investment capabilities in co-operation with Athora which are optimally suited for pension liabilities
- Existing multi-year track record of growth in pension-type business in Life Corporate division

Focus on Pension Solutions

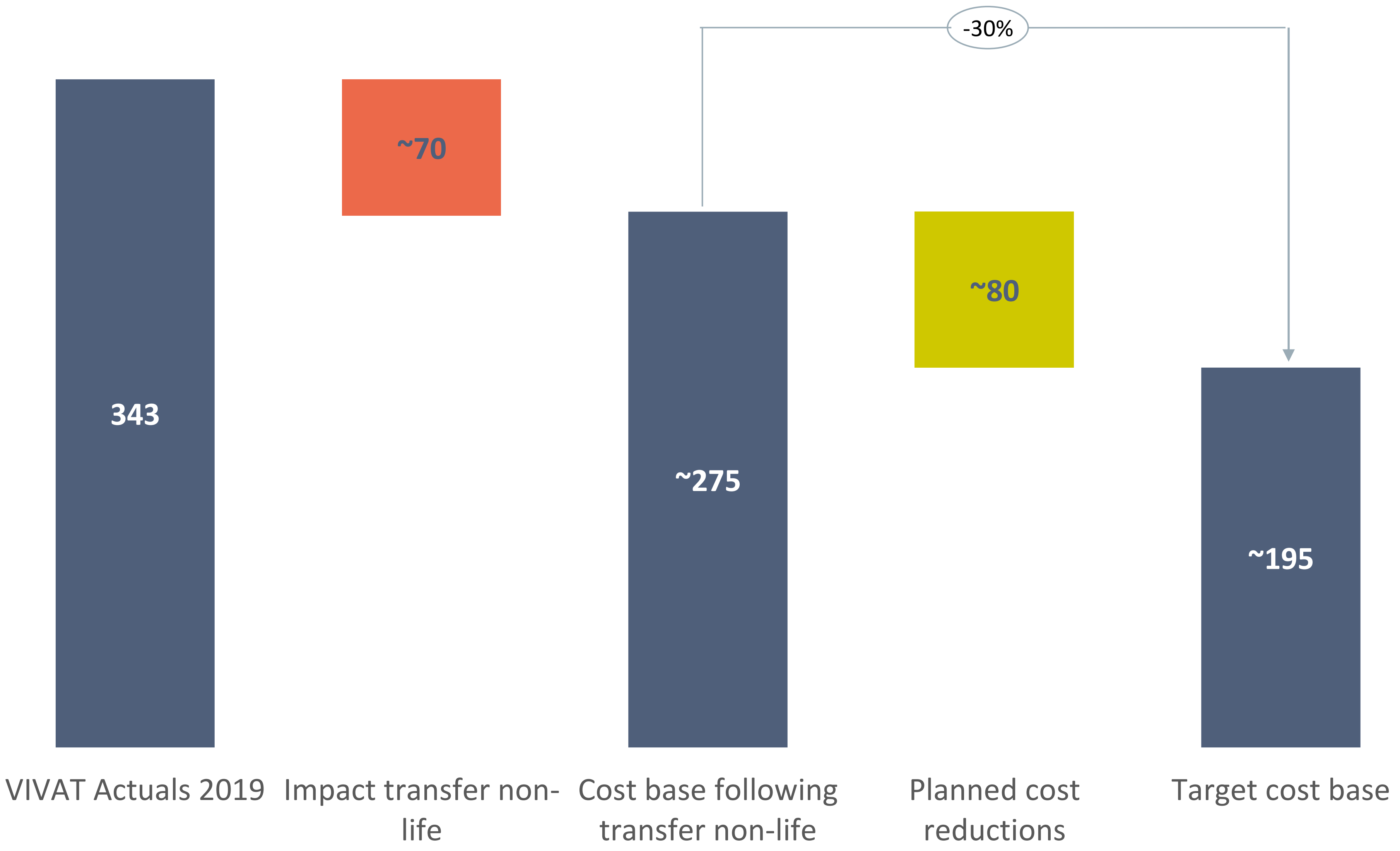
- Leverage VIVAT's strengths to become the #1 pension provider in the Netherlands
- Focus on growing markets where VIVAT has a competitive advantage: pension savings, retirement solutions and pension buy-outs
- Use single strong brand Zwitserleven with clients
- Opportunity to create a more efficient VIVAT following the sale of Non-Life and acquisition by Athora: target 30% reduction in cost base within 3 years (see subsequent slide for details)
- Further enhance our socially responsible investing credentials and continue to embed sustainable insurance and corporate social responsibility
- VIVAT to rebranded to Athora Netherlands by year-end 2020

Strategy review: targeting a 30% reduction of total cost base within 3 years

Comments

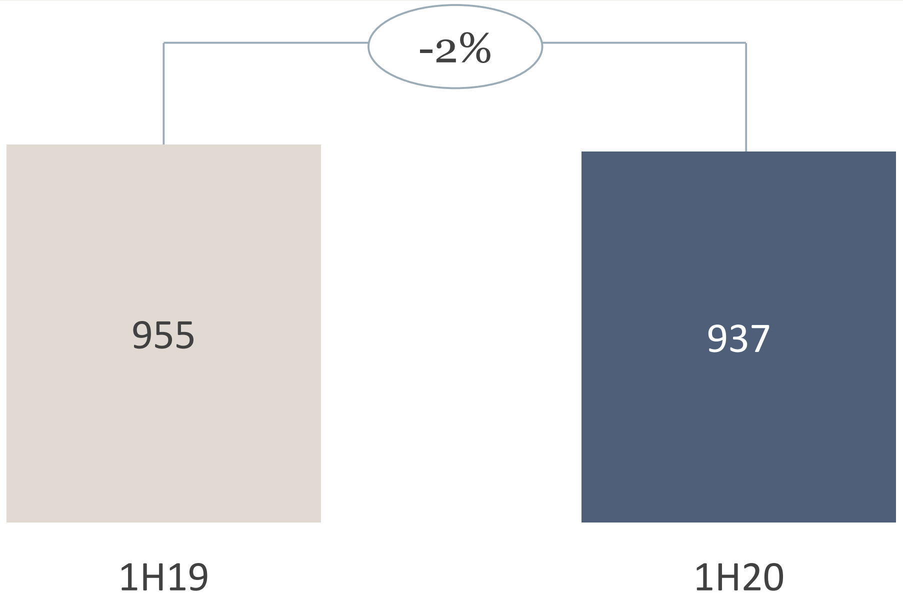
- Sale of Non-Life, acquisition by Athora in combination with the focus on Pension Solutions provides the opportunity to create a more efficient VIVAT
- Target a 30% lower cost base within 3 years from ~€275m currently following the transfer of the non-life business to NN to ~€195m leading to annual savings of ~€80m
- Cost reductions to be achieved through automation, operational synergies with Athora Group functions and FTE reductions
- 575 FTE, including 110 external FTE, will be allocated to NN Group as part of the Non-Life sale and will transfer in the coming one and a half years
- As a result of the focus on Pension Solutions, target a reduction in FTE by a further 400 to 500 over the next 3 years
  - This will be an achieved through combination of unfilled vacancies, natural attrition and a reduction of internal FTE
  - VIVAT is committed to executing these plans with care for effected care and in close consultation with the Works Council

VIVAT cost base (€m)

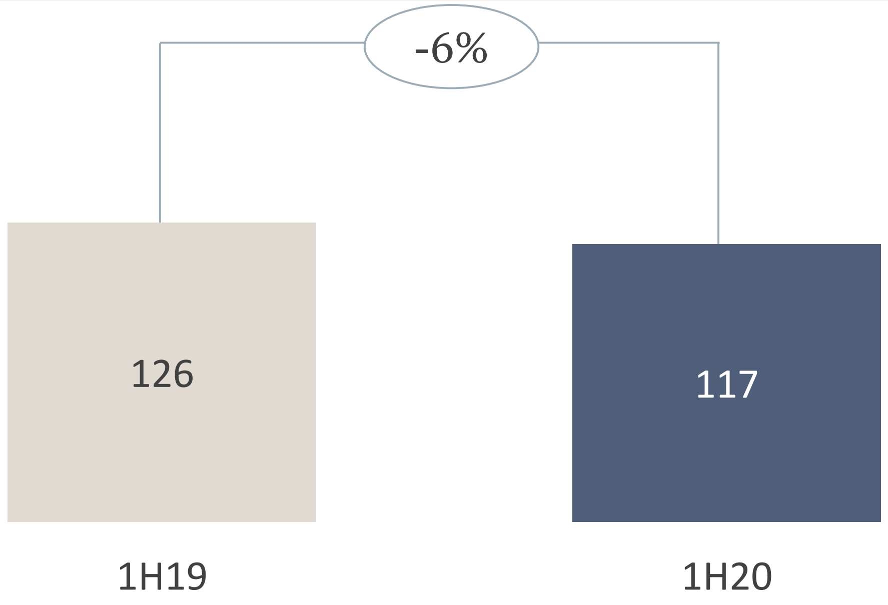


VIVAT: Stable financial performance in a challenging environment

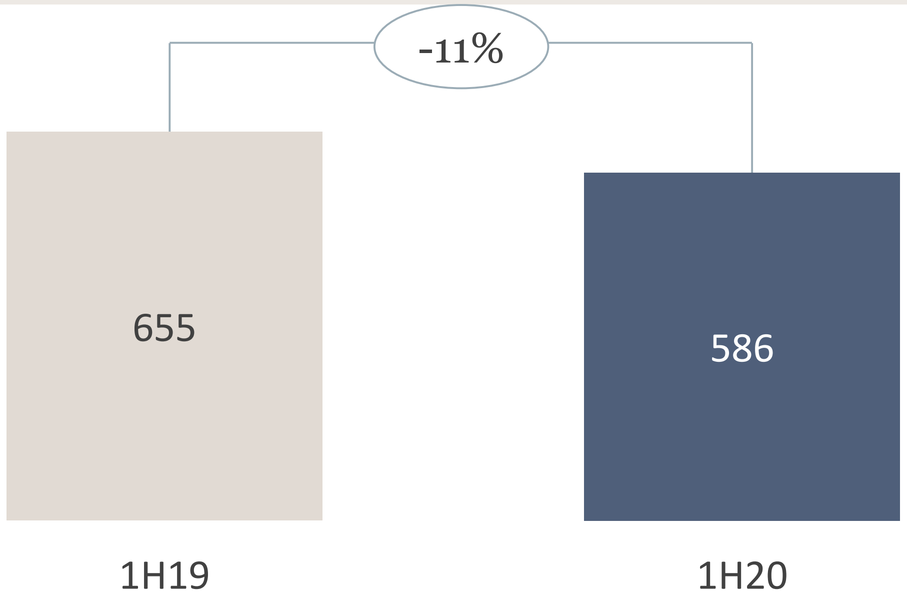
Gross premiums (€m)



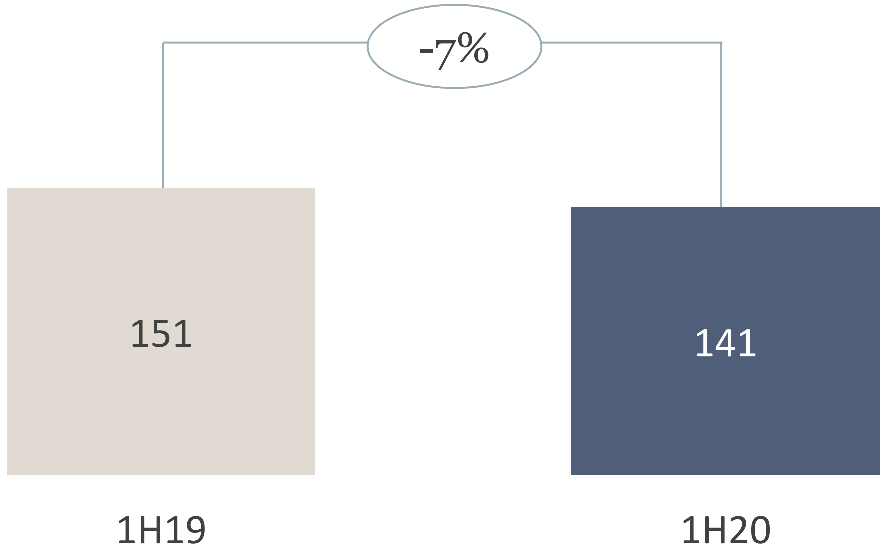
Total operating costs (excl. restructuring costs, €m)



Direct Investment Income (€m)

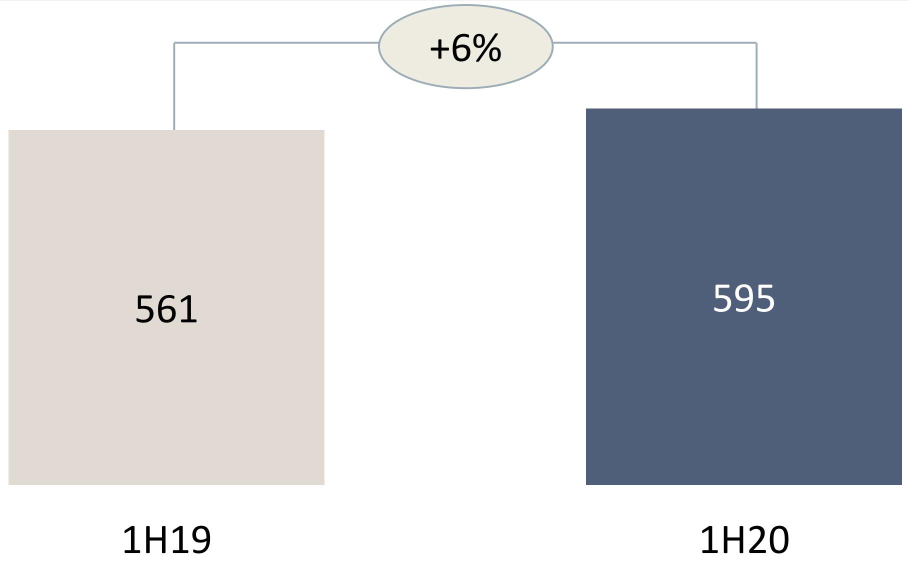


Net underlying result (€m)

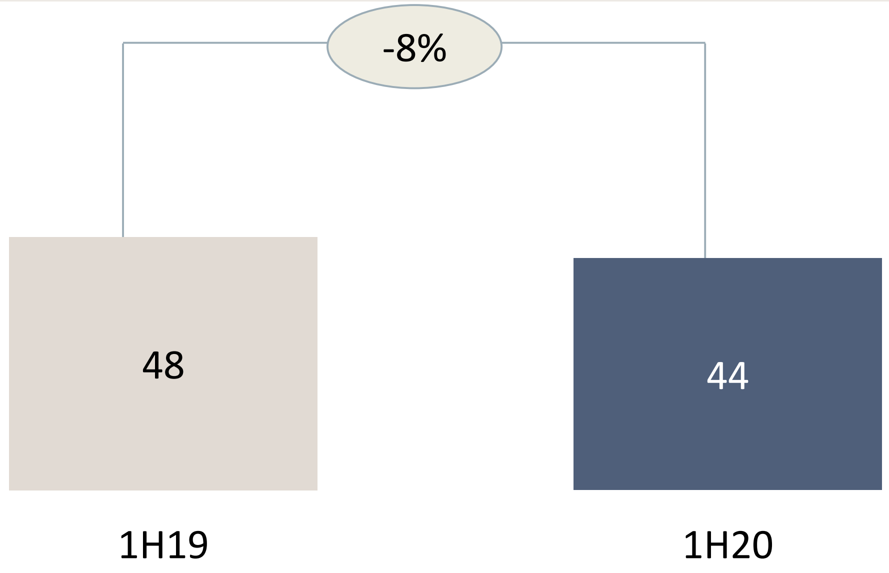


Life Corporate: continued commercial growth in 2020

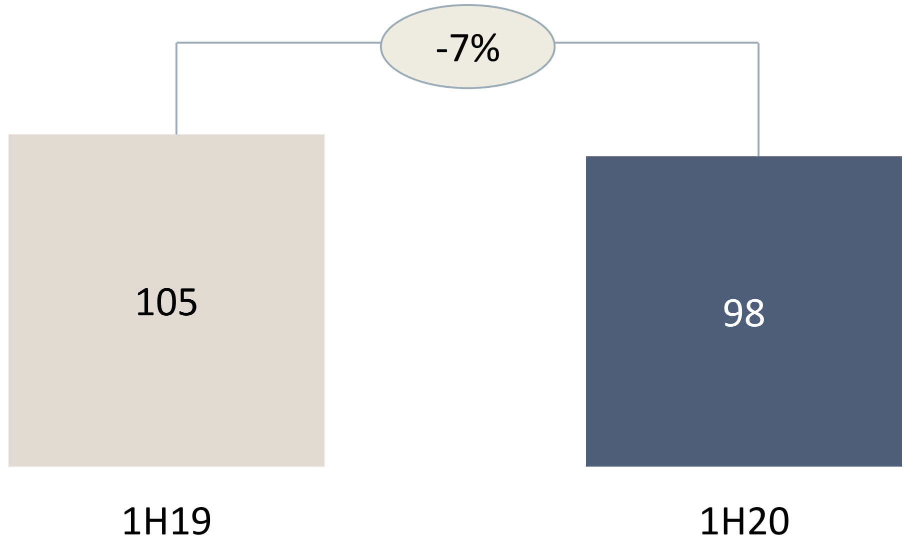
Gross premiums (€m)



Total operating costs (excl. restructuring costs, €m)



Net underlying result (€m)

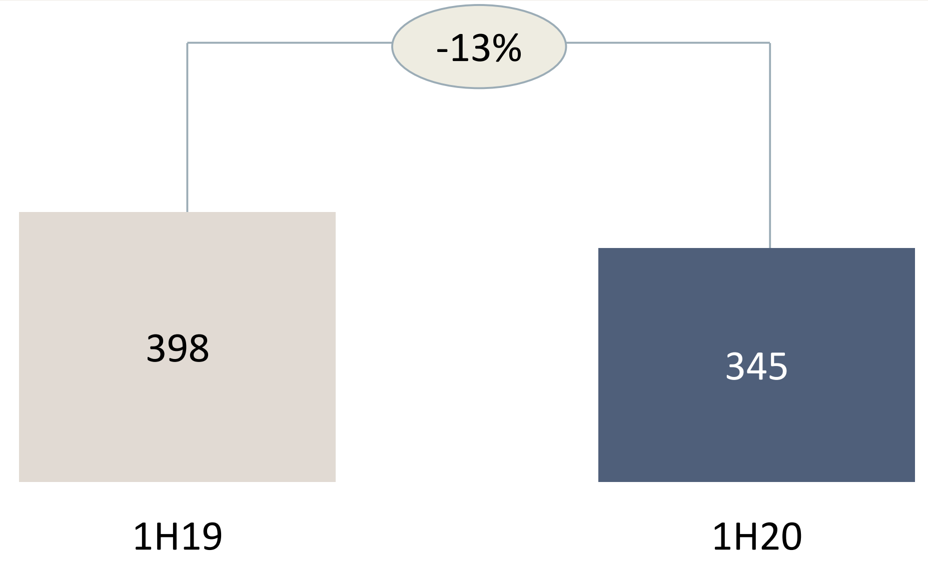


Comments

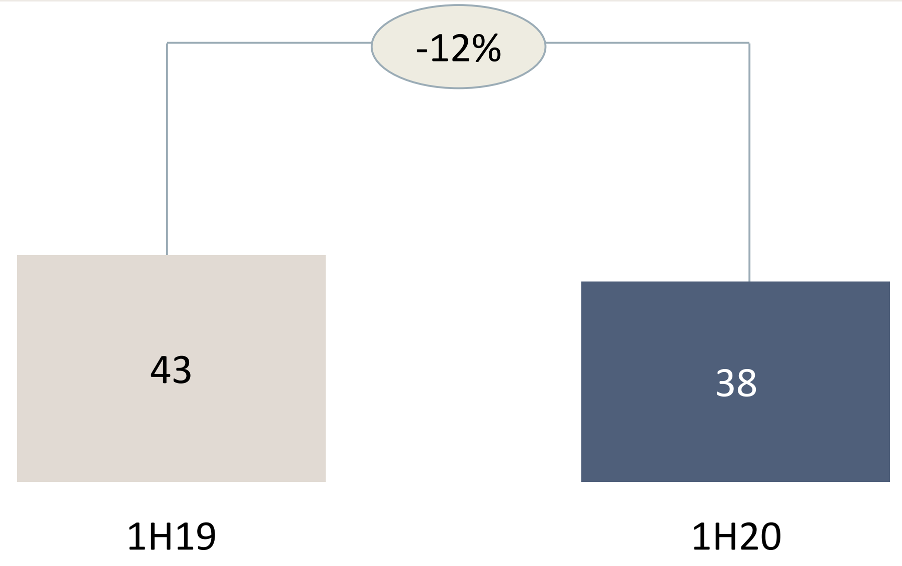
- Encouraging commercial result despite the challenging market environment
  - Gross premiums of €595m increased 6% compared to 1H19
  - Despite COVID-19 , the retention rate fell only marginally from 87% to 84%
  - New production of direct annuities increased significantly whilst the YoY inflow of the Zwitserleven PPI grew by 30% to €89m
- Notwithstanding the growth in premiums, operating expenses decreased by 8%
- NUR decreased by 7% , primarily driven by the prudent investment repositioning in 4Q19
  - Significant rebalancing achieved 1H20 is expected to lead to an increase in investment income going forward

Individual Life: further reduction of operating costs

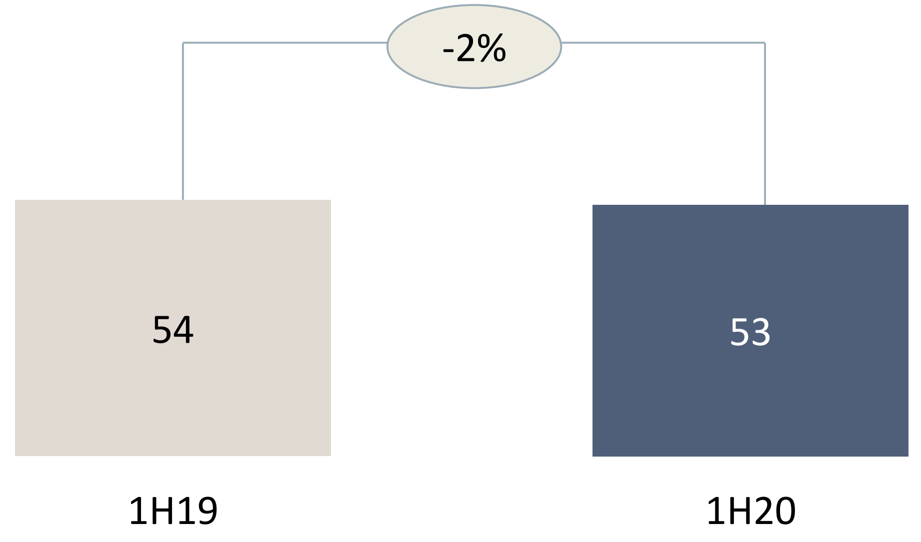
Gross premiums (€m)



Total operating Costs (excl. restructuring costs, €m)



Net Underlying Result (€m)



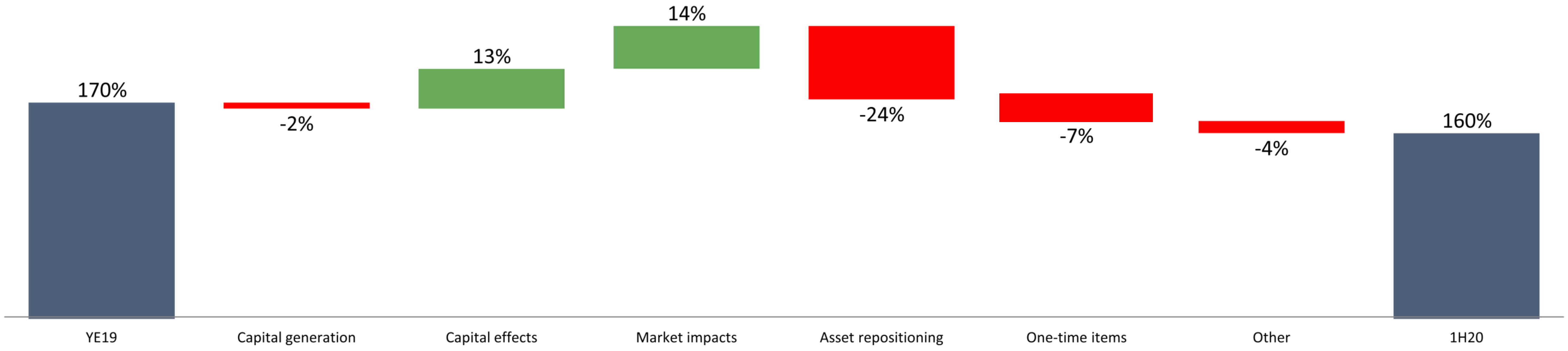
Comments

- Gross premium decreased by 13% mainly as a result of the shrinking individual life market in the Netherlands and lower sales of immediate annuities
- Operating expenses were 12% lower compared to 1H19 as a result of continuing digitalisation efforts and the portfolio run-off, essentially matching the decreased premiums
- NUR decreased by only €1m, mainly due to lower direct investment income as a result of the portfolio run-off in combination almost fully compensated by lower costs

Asset repositioning impacts Solvency II ratio; expect increased capital generation going forward as a result

- VIVAT's Solvency II ratio decreased from 170% at YE19 to 160% at 1H20
- Capital generation was -2%-point due to a higher UFR drag and as a result of the conservative asset portfolio
- Capital effects includes the EUR 400 million capital injection from Athora and coupon payments on subordinated debt
- Market impacts had a positive impact of 14%-point on the Solvency II ratio
  - The impact of higher spreads was more than offset by the increase in the Volatility Adjuster resulting in a net impact of +9%-point
  - The decrease in interest rates and other movements had a positive impact of 5%-point
- Asset repositioning into higher spread investments increased the SCR leading to a 24%-point decrease in the ratio
- One-time items include the sale of non-life (-6%-point) and the step-down in the UFR (-3%-point)
- Other items mainly driven by the switch in the interest rate SCR shock from Up to Down

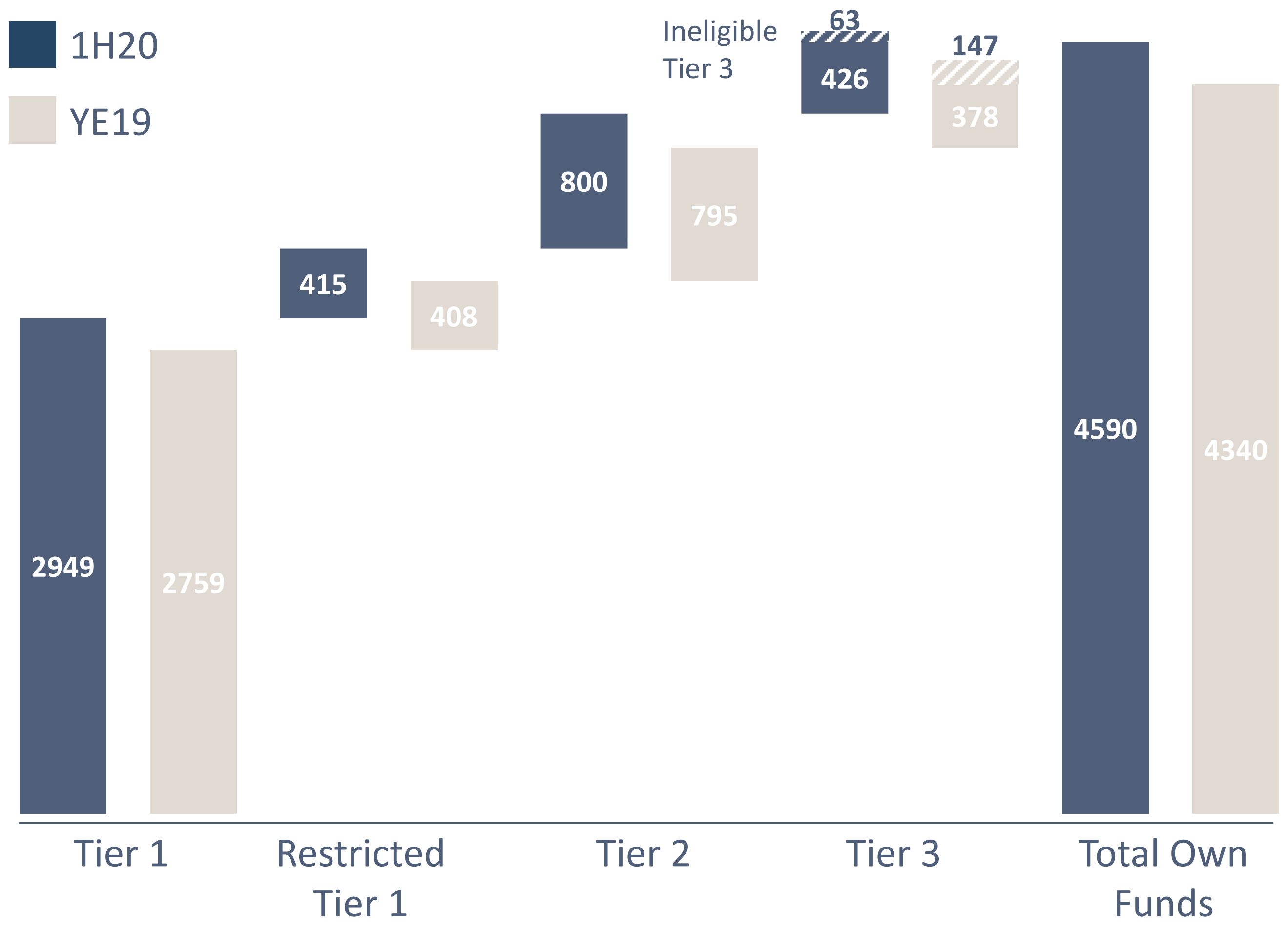
Change in VIVAT Solvency II ratio from YE19 to 1H20



Note: category allocation is based on management's best judgement

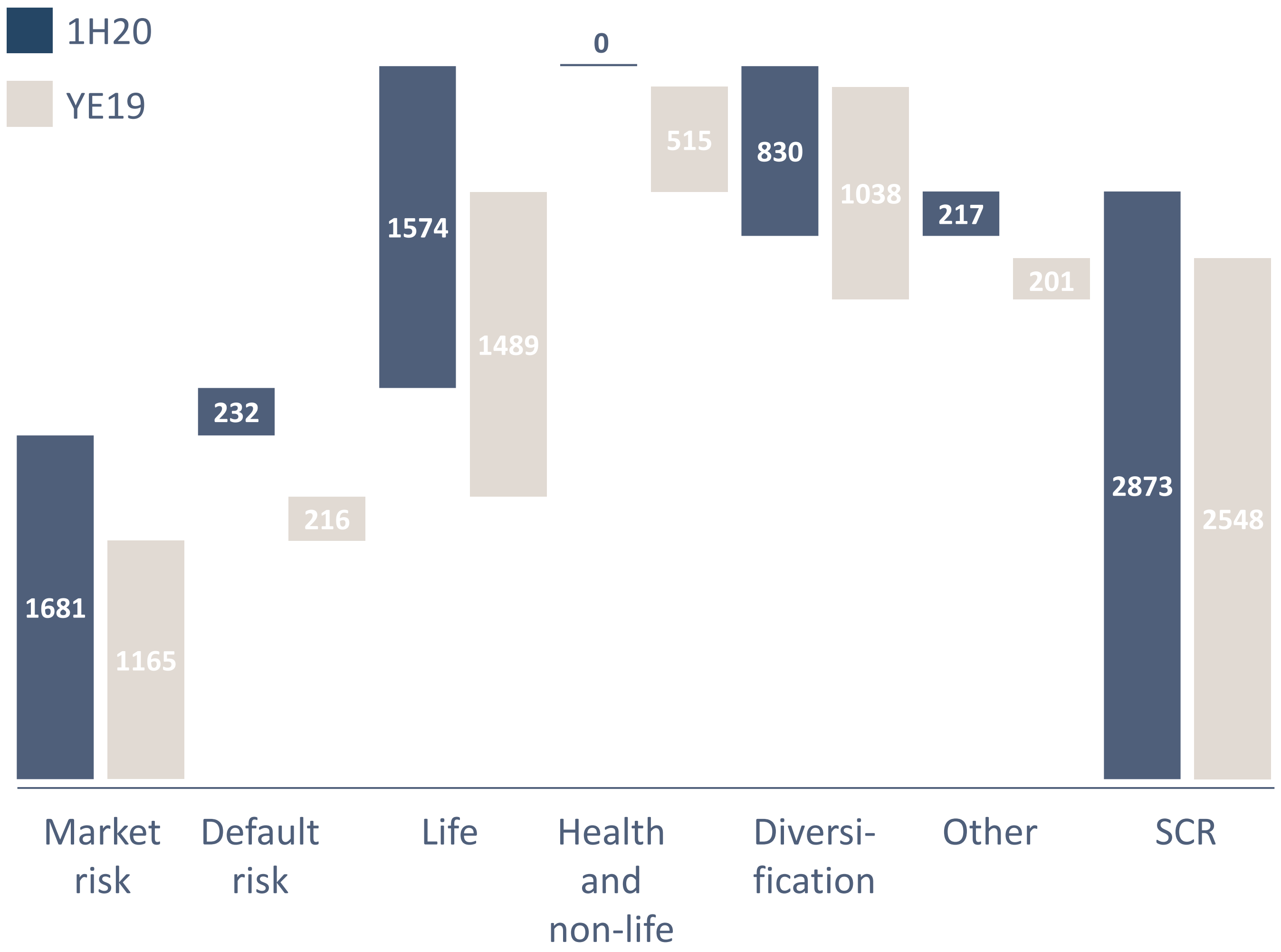
Breakdown of VIVAT's Solvency II Own Funds and SCR at 1H20

Own Funds (€m)



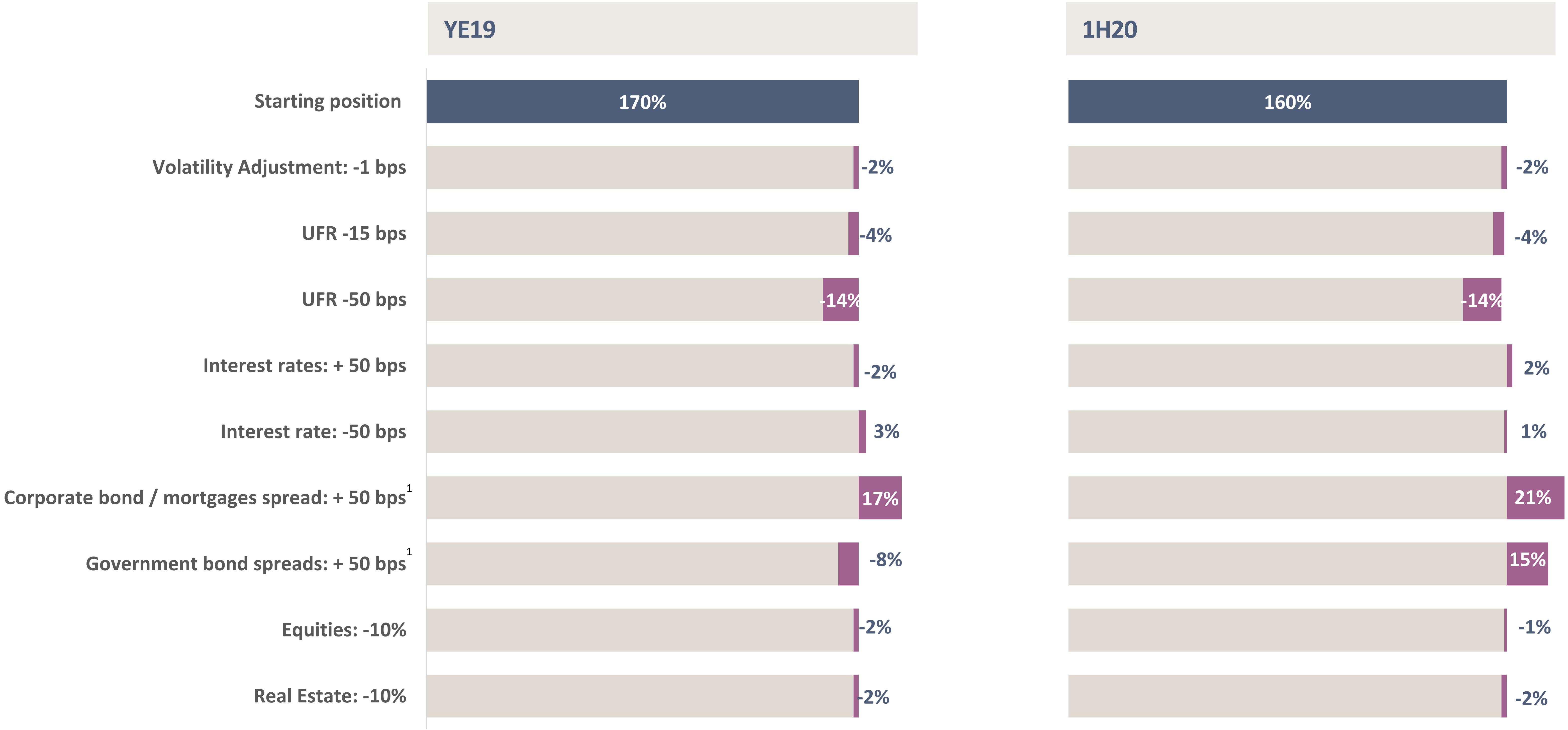
- ~€3bn of Unrestricted Tier 1 Own Funds
- Scope to make full Tier 3 eligible in case of further asset repositioning
- Capacity for a further ~€500m subordinated debt instruments giving capital flexibility, if required

SCR (€m)



- Market risk SCR increased by ~500m as a result of repositioning to higher spread assets and the switch in the interest rate SCR shock from Up to Down
- SCR €325m higher vs. YE19
- Diversification decreased due to sale non-life

Solvency II sensitivities remain counter-cyclical providing protection against further market shocks



1. impact per 30 June 2020 includes shift in diversification benefit from interest rate down in the starting position to up in the sensitivity

VIVAT has taken advantage of the market dislocation to lock in attractive IG credit spreads

Substantial asset repositioning

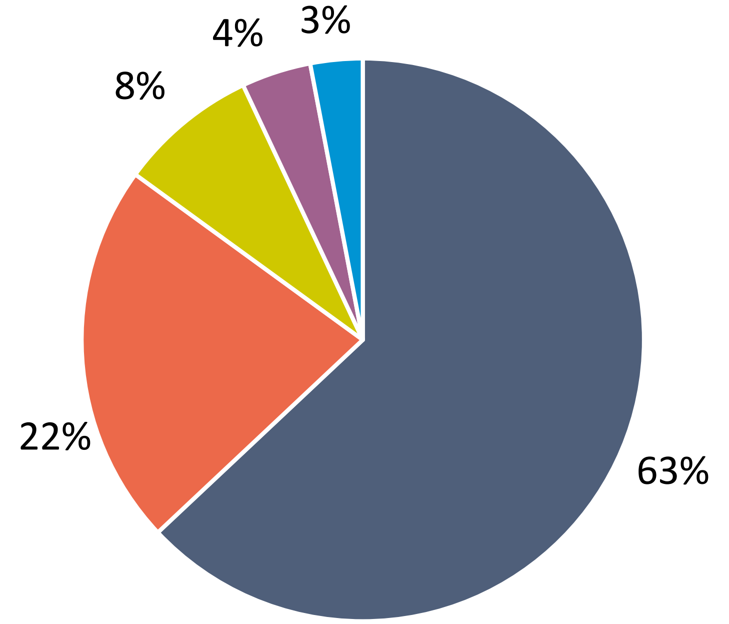
> EUR 5 billion of high-quality investment grade credit was bought over 1H20 at attractive spread levels

> Sovereigns and cash were primarily used to fund the IG Credit purchases

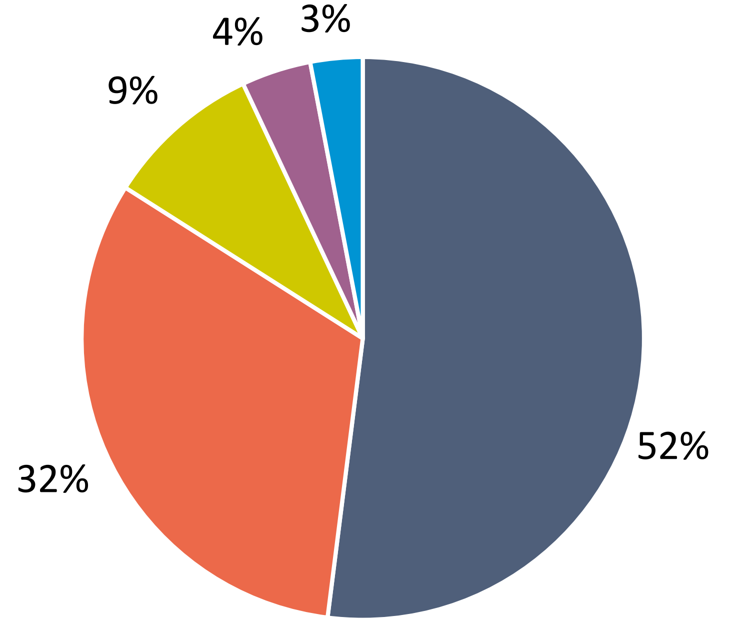
> Asset repositioning so far will benefit VIVAT through increased capital generation

Amounts x € bn	2019[1]	1H20		2019[1]	1H20
SOVEREIGNS + MMF	**23.1**	**20.3**	**EQUITY LIKE**	**1.5**	**1.5**
Sovereign AAA	12.1	9.2	Real Estate	0.5	0.6
Sovereign AA	3.6	2.8	Equity	0.1	0.1
Sovereign A / BBB	1.4	0.2	Fixed Income Funds	0.8	0.8
Other sovereigns	0.5	0.6			
Supranationals	4.2	5.3	**CREDITS**	**8.2**	**12.5**
Money Market Funds	1.3	2.2	Euro Financials	2.6	5.4
			Euro Corp	1.8	4.4
COLLATERAL TRADE	1.1	1.0	Asset Backed Securities	0.8	0.6
			Covered bonds	0.2	0.3
			Credits other	2.7	1.8
MORTGAGES	**2.8**	**3.4**			

YE19 (€37bn)[1]



1H20 (€39bn)



[1] Pro-forma for the sale of VIVAT Schade; compared to figures presented per YE 2019 derivatives have been removed

Key takeaways

1	VIVAT will leverage its strengths to become the #1 pension provider in the Netherlands
2	New supportive shareholder with complimentary capabilities in executing the new strategy
3	Evidenced resilience against COVID-19
4	Robust financial result and Solvency II ratio despite challenging backdrop
5	Material reduction in leverage by 8%-points to 20%
6	Significant asset repositioning at attractive spread levels should lead to improved capital generation

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