VIVAT
1H18 Results

VIVAT 1H18 at a Glance

Our performance

Gross premium income	Operating expenses	Net underlying result	Solvency II VIVAT	Solvency II SRLEV	Available liquidity holding	Combined Ratio P&C
⌄ 1,607 mln EUR	= 182 mln EUR	^ 115 mln EUR	^ 167%	⌄ 151%	^ 748 mln EUR	^ 100.9%
1H17: 1,704 mln EUR	**1H17:** 183 mln EUR	**1H17 :** 73 mln EUR	**YE17:** 162%	**YE17:** 157%	**YE17:** 653 mln EUR	**1H17:** 99.4%

Highlights

> Net underlying result up 58% to EUR 115 million (1H17: EUR 73 million), positively impacted by higher interest income from the interest rate derivatives portfolio

> Combined ratio at 100.9%, excluding the impact of the January storm at 95.6% (1H17: 99.4%)

> Gross written premiums down 6% to EUR 1,607 million, excluding pension fund buy-outs premium income up 5% due to higher premiums for Life Corporate and Property & Casualty

> Total operating costs remained stable compared to the first half of 2017

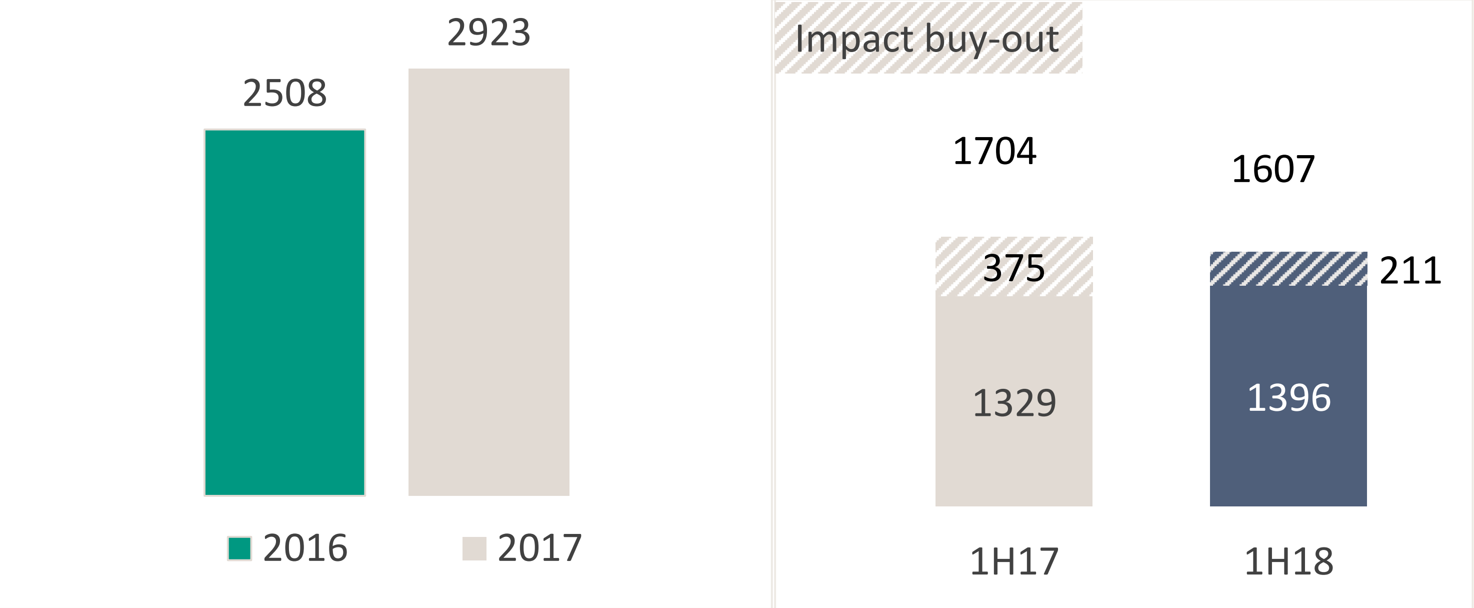
> IFRS net result of -/- EUR 173 million driven by the tender offer of the SRLEV notes and additions to the Liability Adequacy Test (LAT) shortfall due to the decrease in the Ultimate Forward Rate (UFR), portfolio developments and market movements

> Solvency II ratio (standard model) of VIVAT NV increased to 167% (162% at YE17) mainly as a result of the RT1 issuance and an increase of the Volatility Adjustment (VA) partly mitigated by the decrease of the UFR and the ongoing re-risking activities

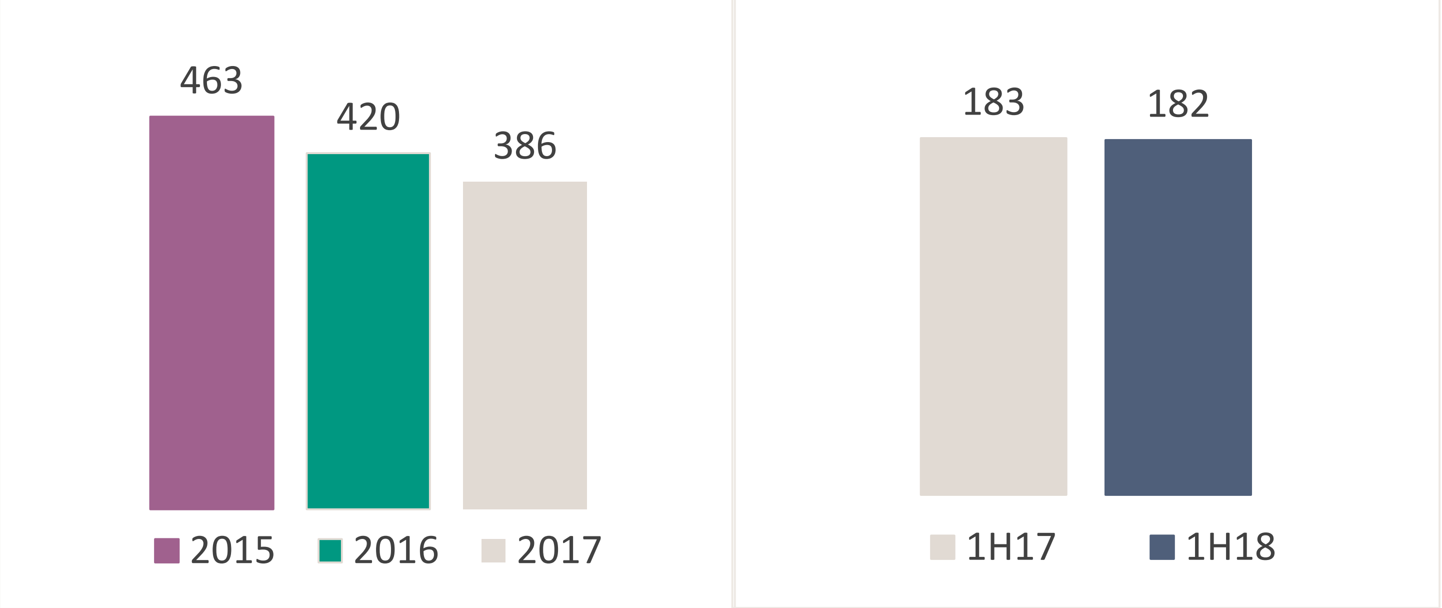
> Re-risking on track, sovereign investment exposure decreased to 61% within investment portfolio (66% YE17) and, in the third quarter, EUR 200 million of share capital was injected into SRLEV from VIVAT to enable further re-risking

VIVAT: Positive Momentum Continues Following Strategic Choices

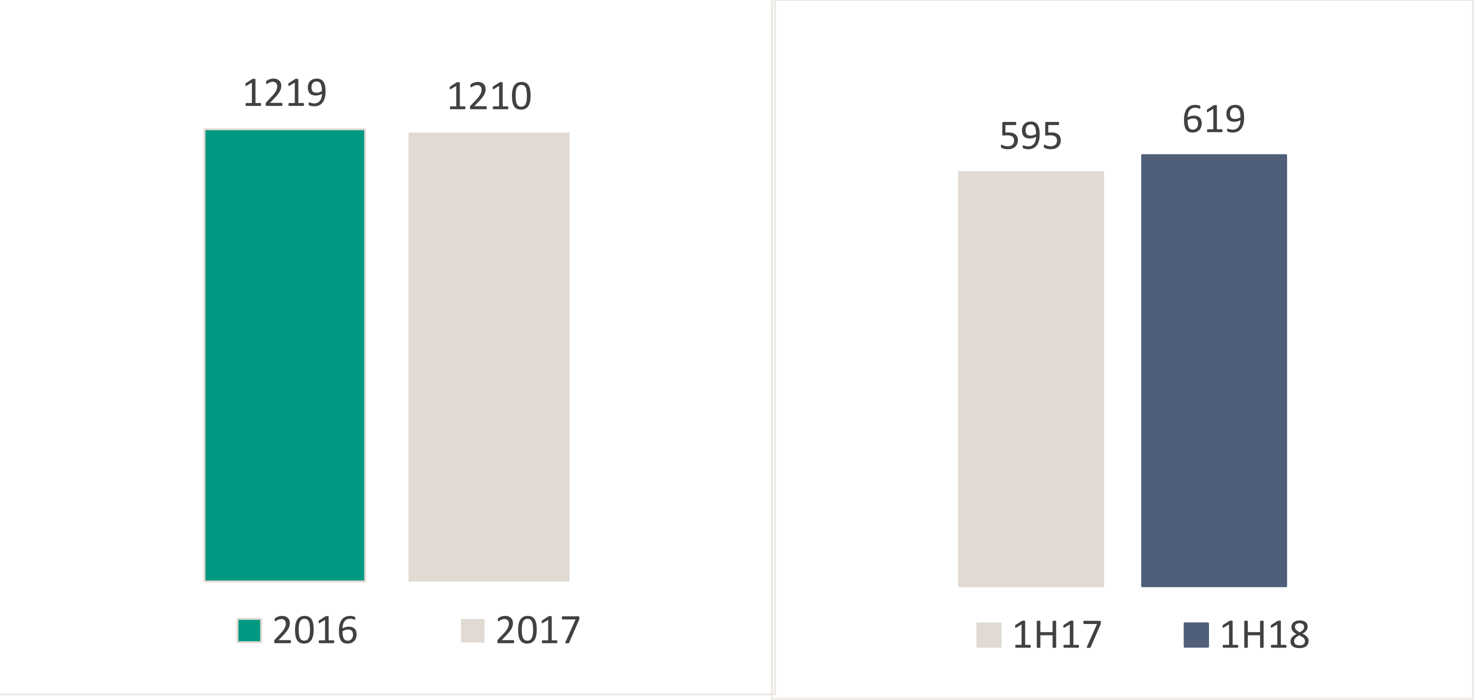
Gross Premiums (€ mln)



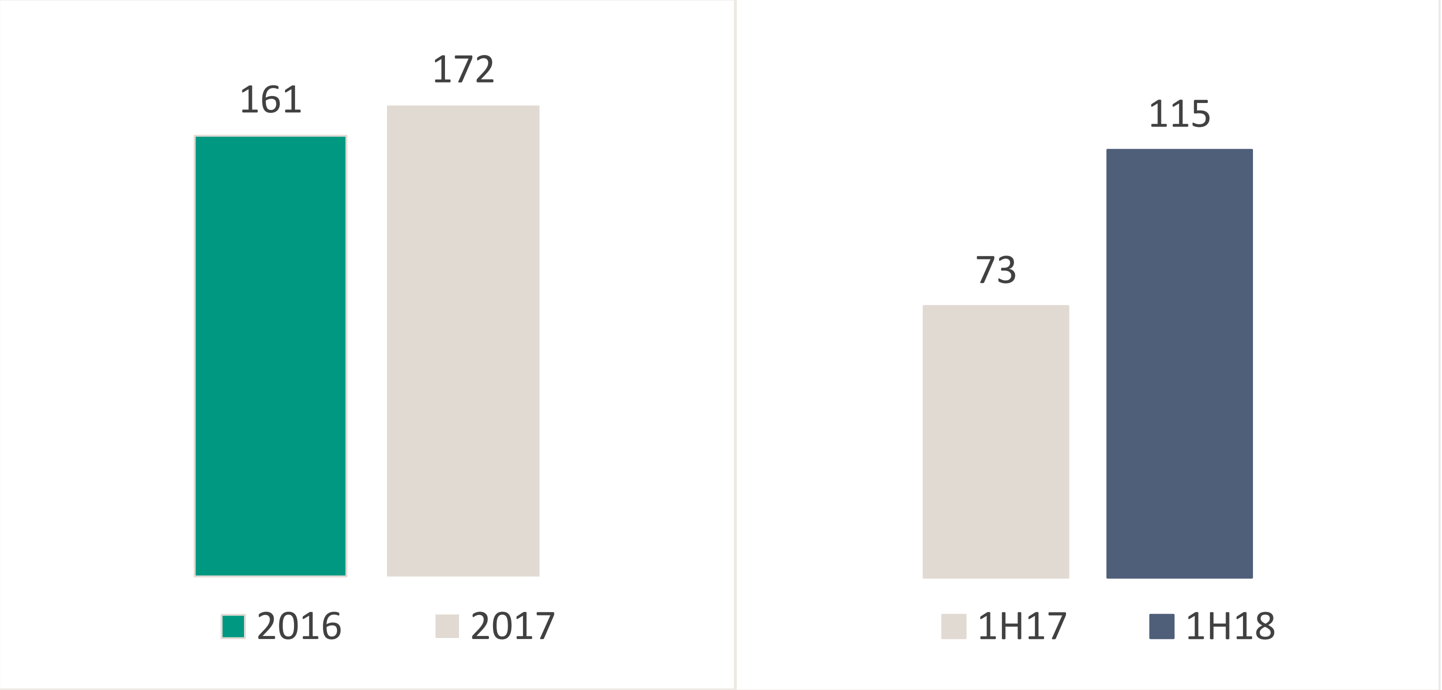
Total Operating Costs (excl. restructuring costs, € mln)



Direct Investment Income (€ mln)

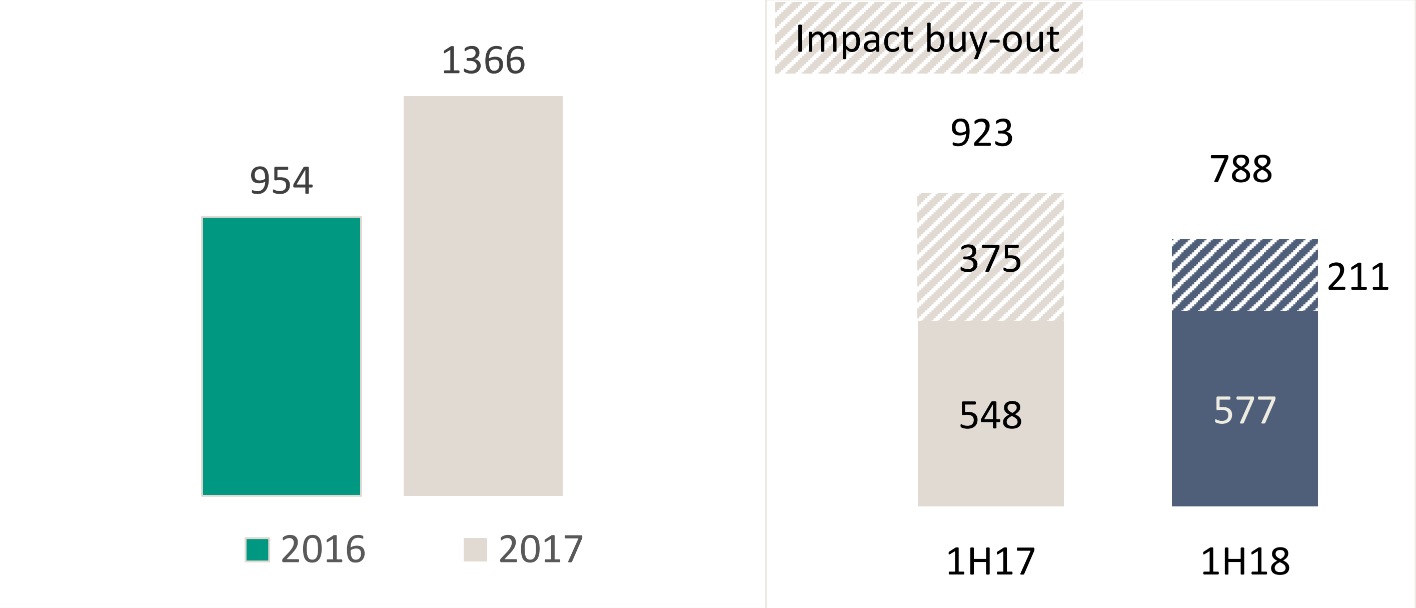


Net Underlying Result (€ mln)

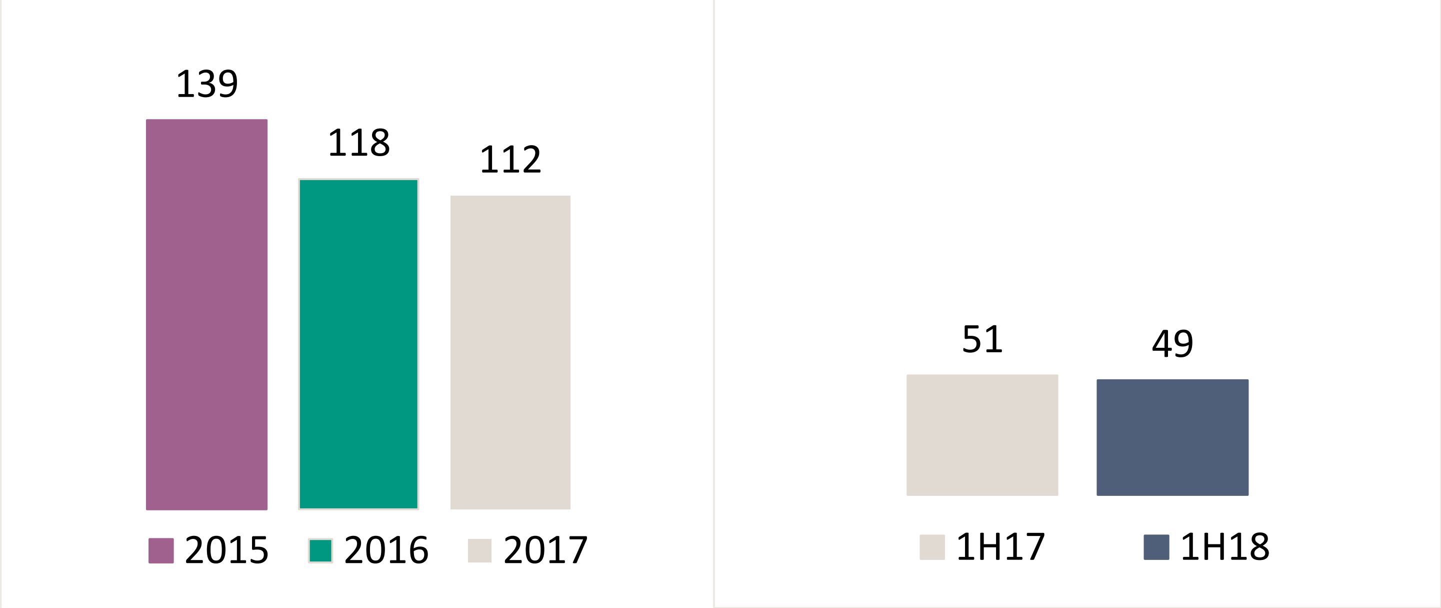


Product Line Life Corporate: Premium Income Again Profited From Buy-out

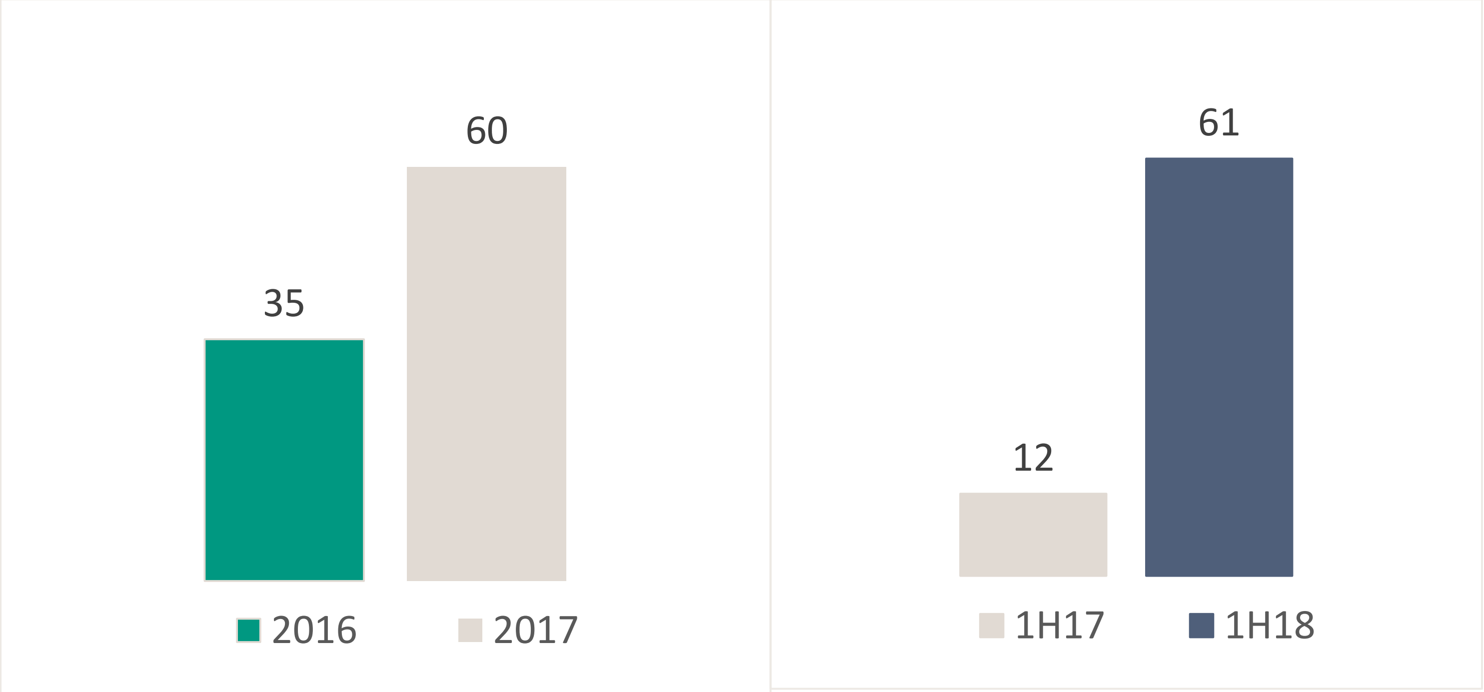
Gross Premiums (€ mln)



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



Net Underlying Result (€ mln)

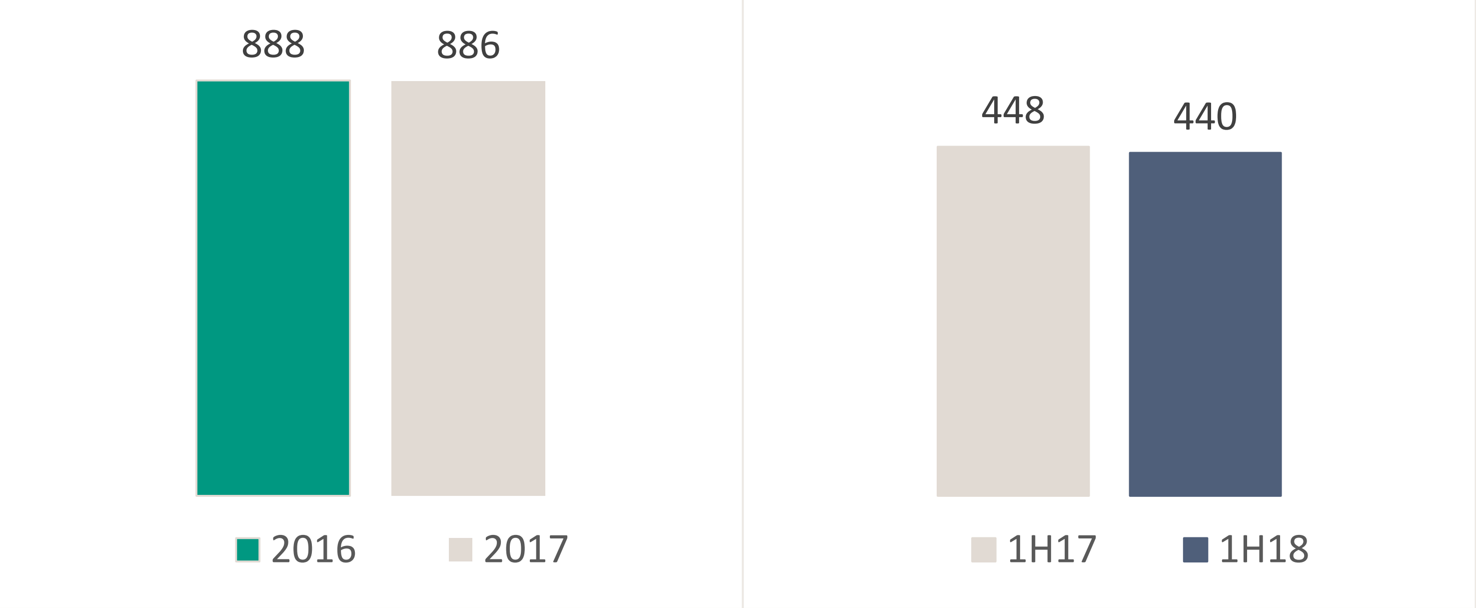


Comments

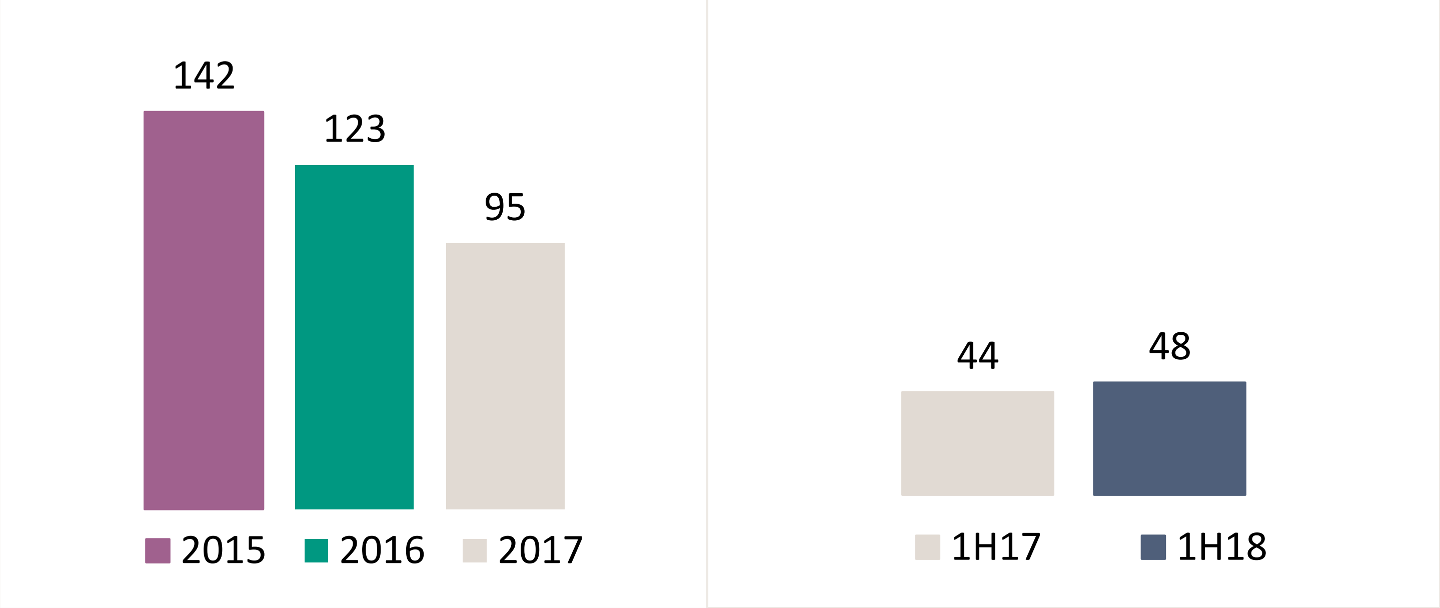
- Excluding buyouts, premium income increased by 5% compared to 1H17. Gross premium income was down 15% from 1H17, strongly impacted by the effect of pension fund buy-outs in both years (EUR 375 mln in 2017 and EUR 211 mln in 2018)
- The net underlying result increased by EUR 49 mln to EUR 61 mln primarily due to higher interest income from the interest derivatives portfolio. Lower operating expenses were mainly a result of lower internal and external staff costs

Product Line Individual Life: Premium Income Held Up Well

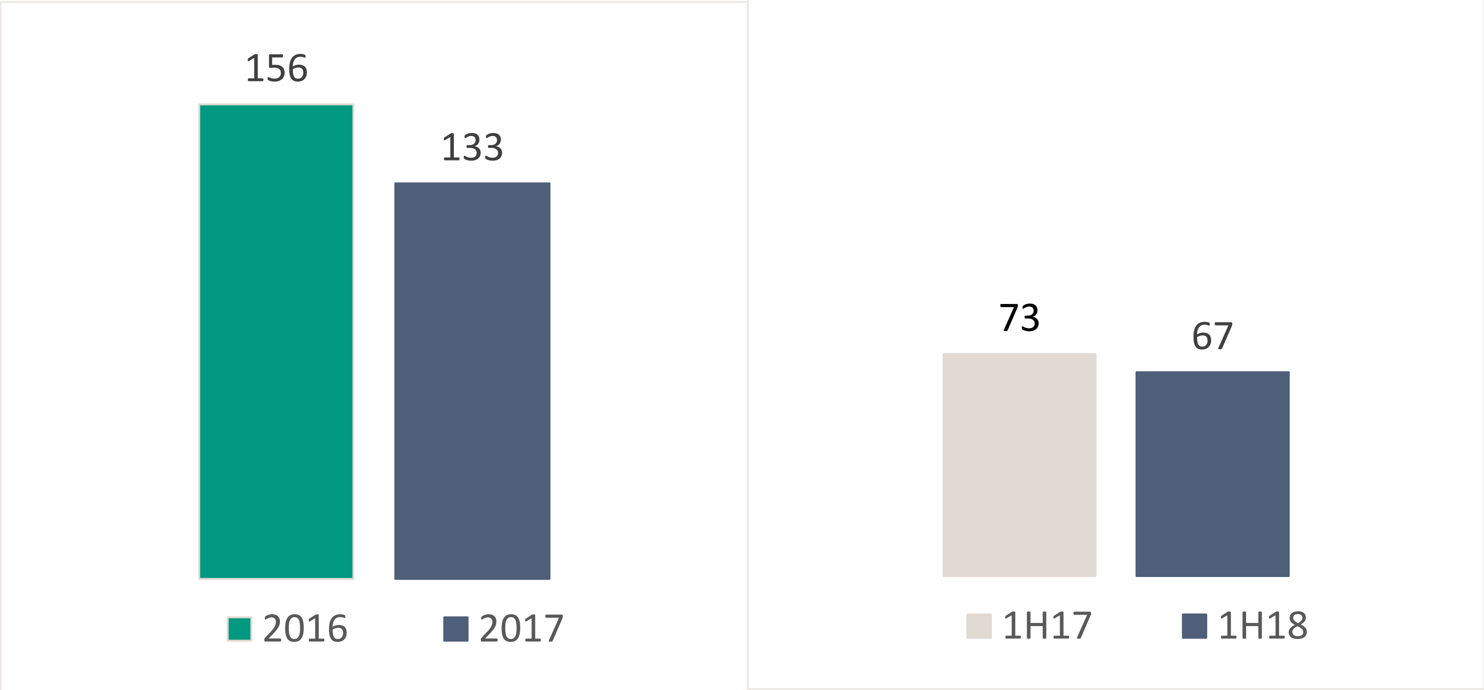
Gross Premiums (€ mln)



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



Net Underlying Result (€ mln)

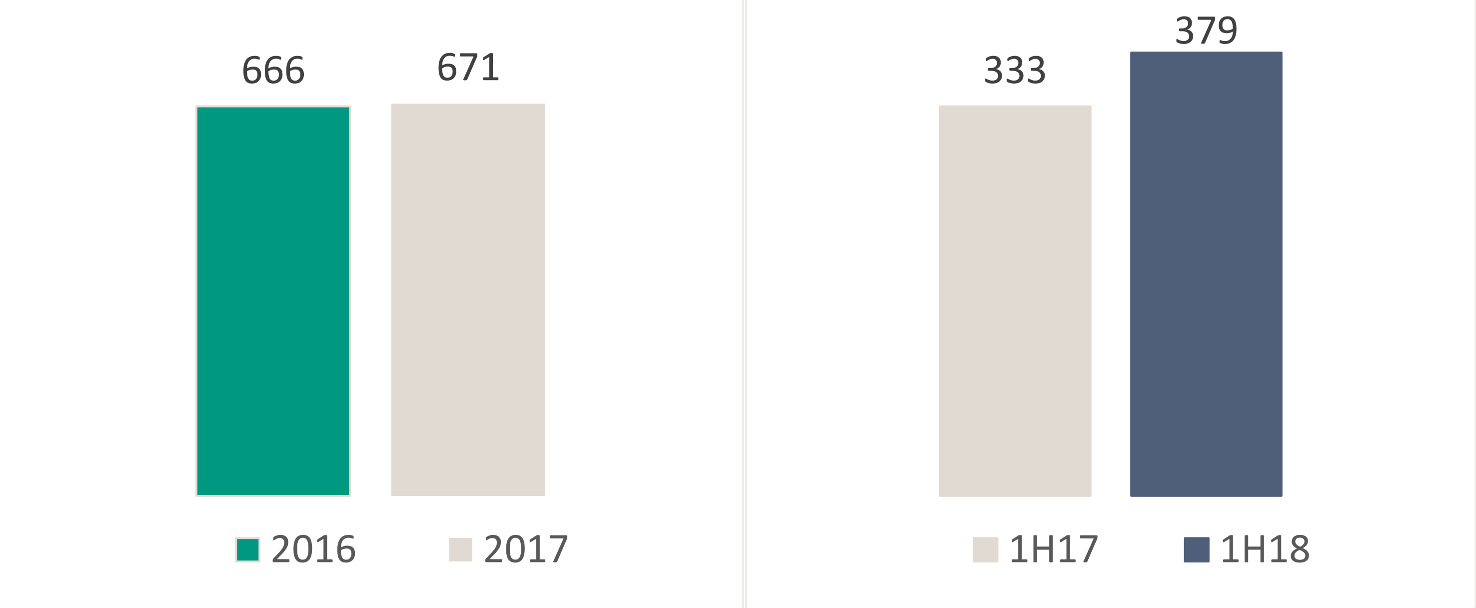


Comments

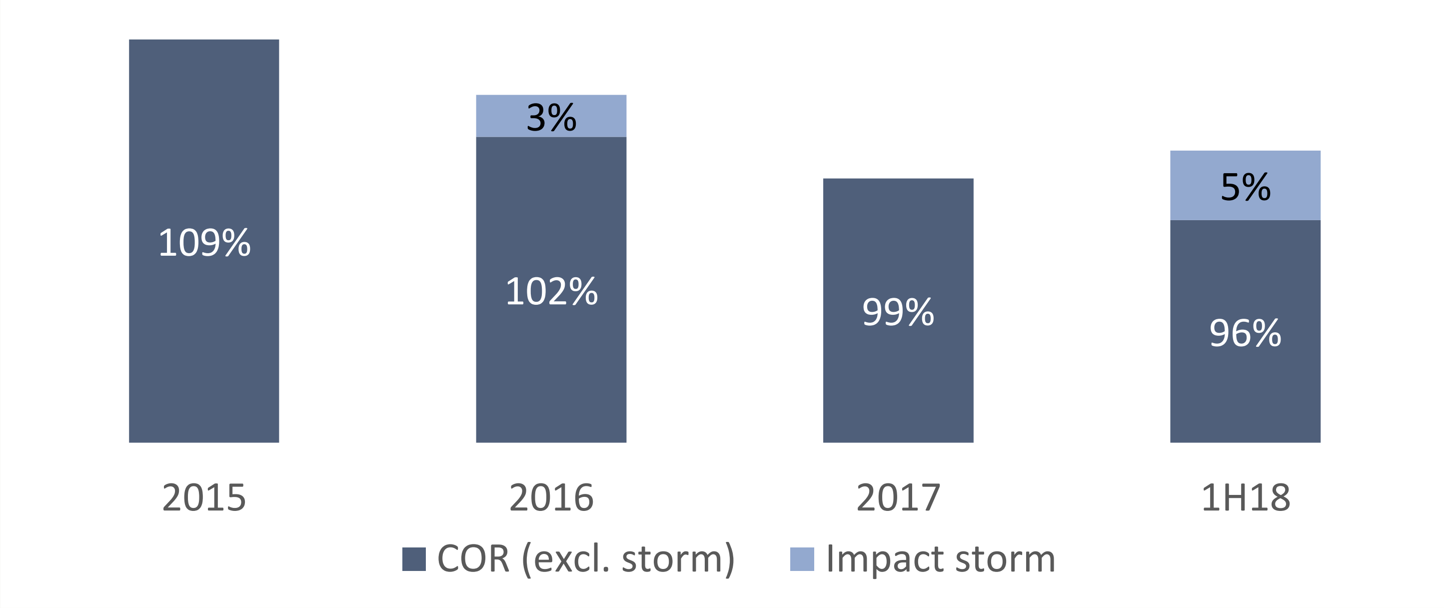
- Gross premium income decreased by 2% mainly due to the shrinking individual life market. The decrease in regular premium was partly compensated by higher single premium income
- Operating expenses were slightly higher compared to 1H17 as a result of a new project focusing on additional customer care activities for unit-linked policyholders
- The net underlying result of EUR 67 mln was EUR 6 mln lower compared to 1H17, mainly due to the lower direct investment result

Product Line Property & Casualty: Result Impacted by January storm

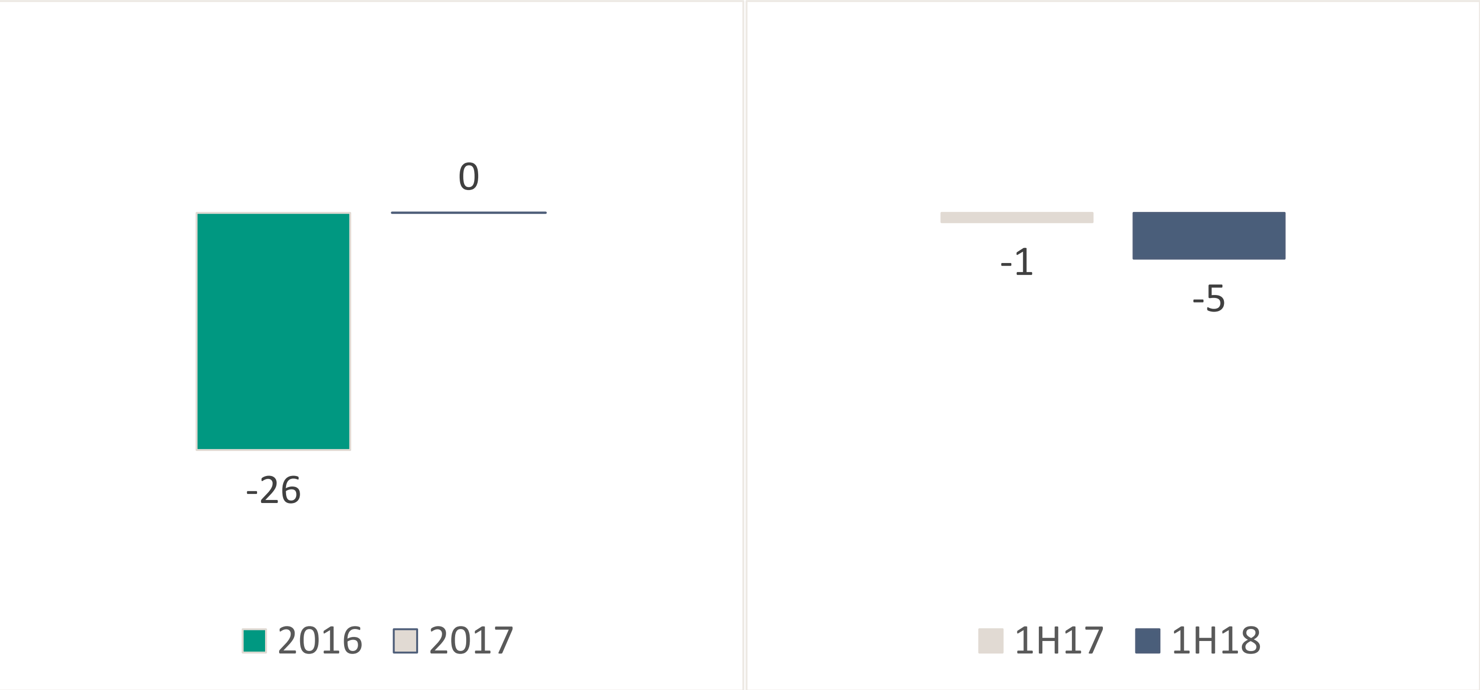
Gross Premiums (€ mln)



Combined Ratio (COR) Property & Casualty



Net Underlying Result (€ mln)



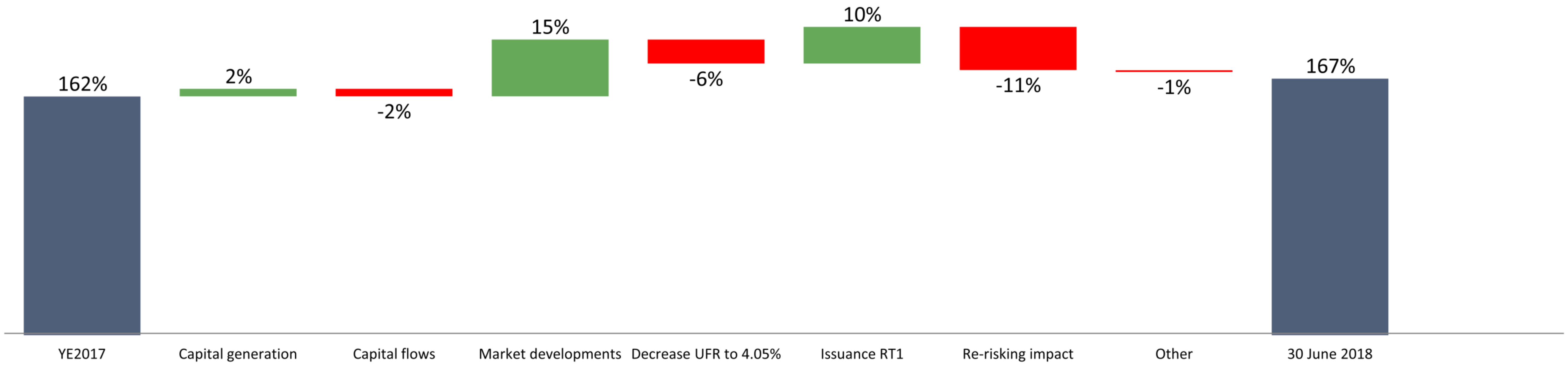
Comments

- Gross premium income in the first half of 2018 increased significantly to EUR 379 million compared to the first half of 2017, mainly as a result of growth in all areas of the portfolio and a release from the unearned premium reserve linked to authorised agents (EUR 20 million) due to an improvement of in depth portfolio data
- The net underlying result was EUR 4 million lower due to the January storm in 2018 (impact of EUR 15 million after reinsurance and tax). Additional reinsurance coverage was obtained in July 2018. The underlying result excluding the storm was EUR 10 million higher than 1H17 driven by a better claims ratio as a result of better performance of the underlying portfolio and a release from the unearned premium reserve linked to authorised agents
- The Combined Ratio excluding the January storm was 95.6%

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

- VIVAT's Solvency II ratio increased from 162% at YE17 to 167% at the end of June 2018
- The eligible own funds increased from EUR 3,772 mln to EUR 4,122 mln. The negative impact of the decrease in the UFR from 4.20% to 4.05% per 1 January 2018 was more than offset by the positive impact of the increase in the VA from 4 bps to 10 bps. Due to the conservative investment portfolio of VIVAT the positive impact of the increase in the VA is significantly larger than the impact of increasing credit spreads of the value of the investment portfolio. Eligible own funds also profited from the issuance of EUR 300 mln Restricted Tier 1 notes in June 2018
- The SCR increased from EUR 2,327 mln to EUR 2,471 mln. This increase was mainly caused by an increase in market risk due to the ongoing re-risking of the investment portfolio and adjustments in the interest rate risk hedges
- SRLEV's Solvency II ratio decreased from 157% to 151% following the impact of the decrease of the UFR and the ongoing re-risking activities. In the third quarter, VIVAT injected EUR 200 million of share capital into SRLEV to enable further re-risking

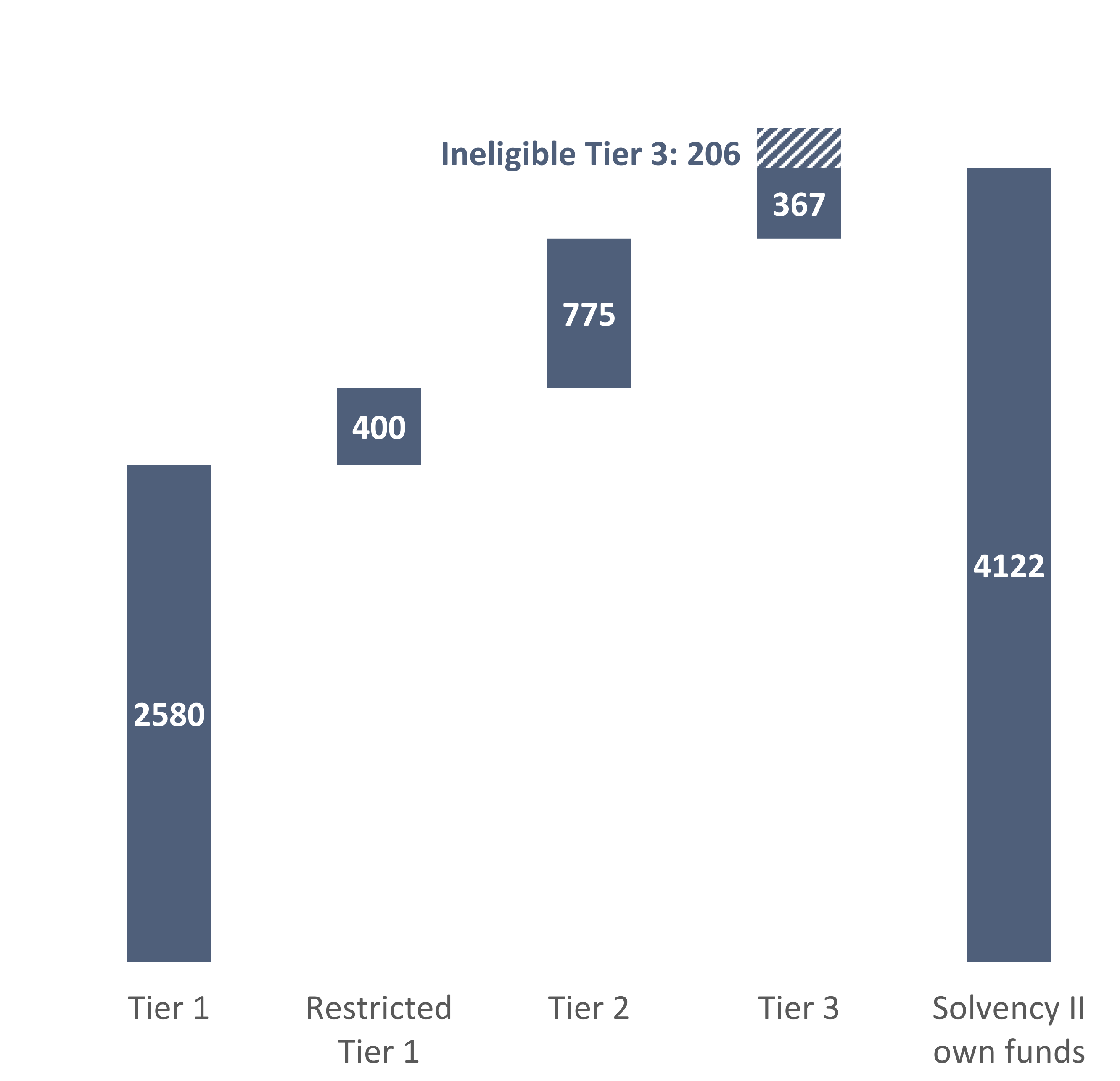
Change in Solvency II ratio in 1H18



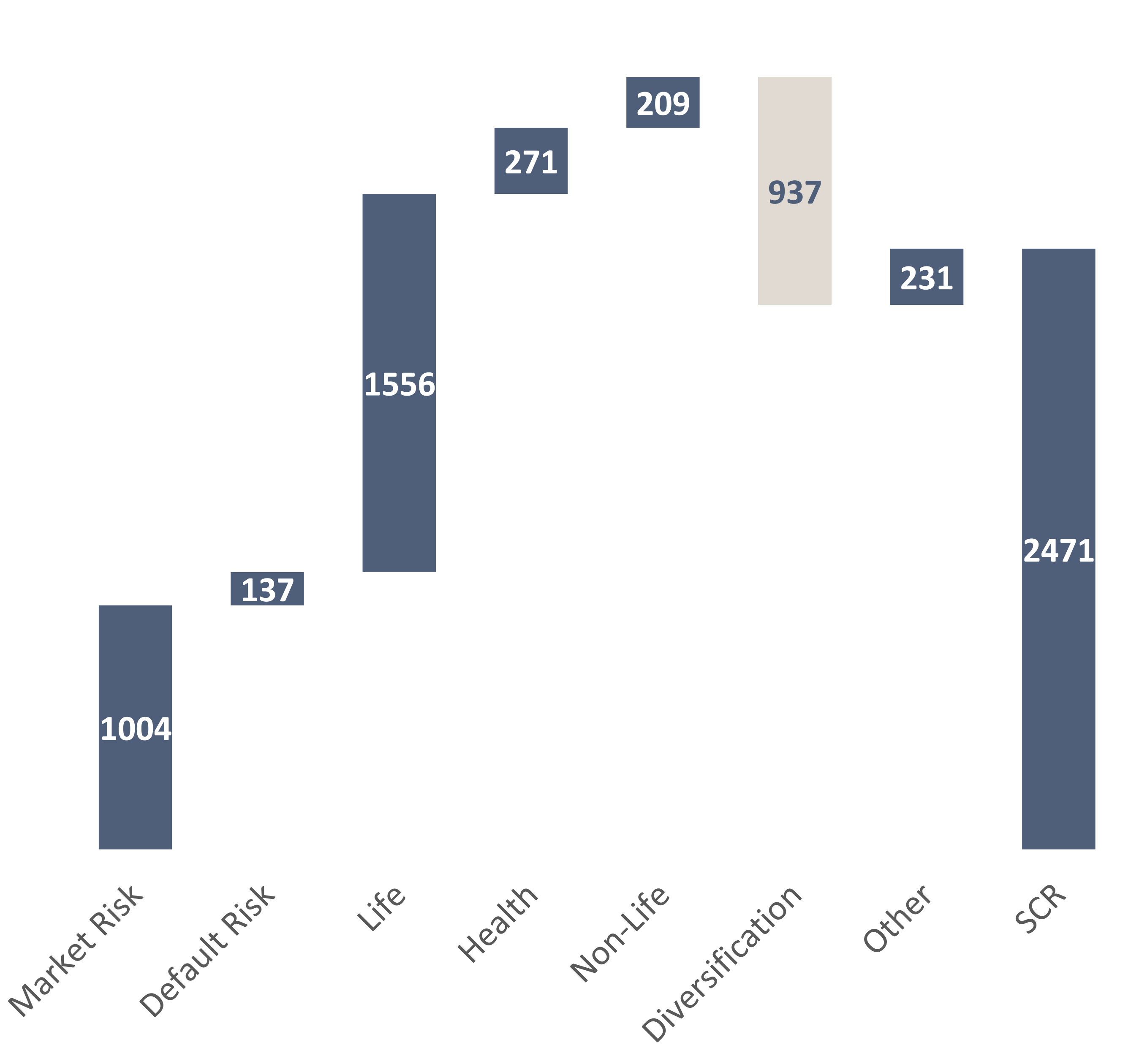
Allocation is based on management's best judgement

Breakdown of Solvency II own funds and SCR

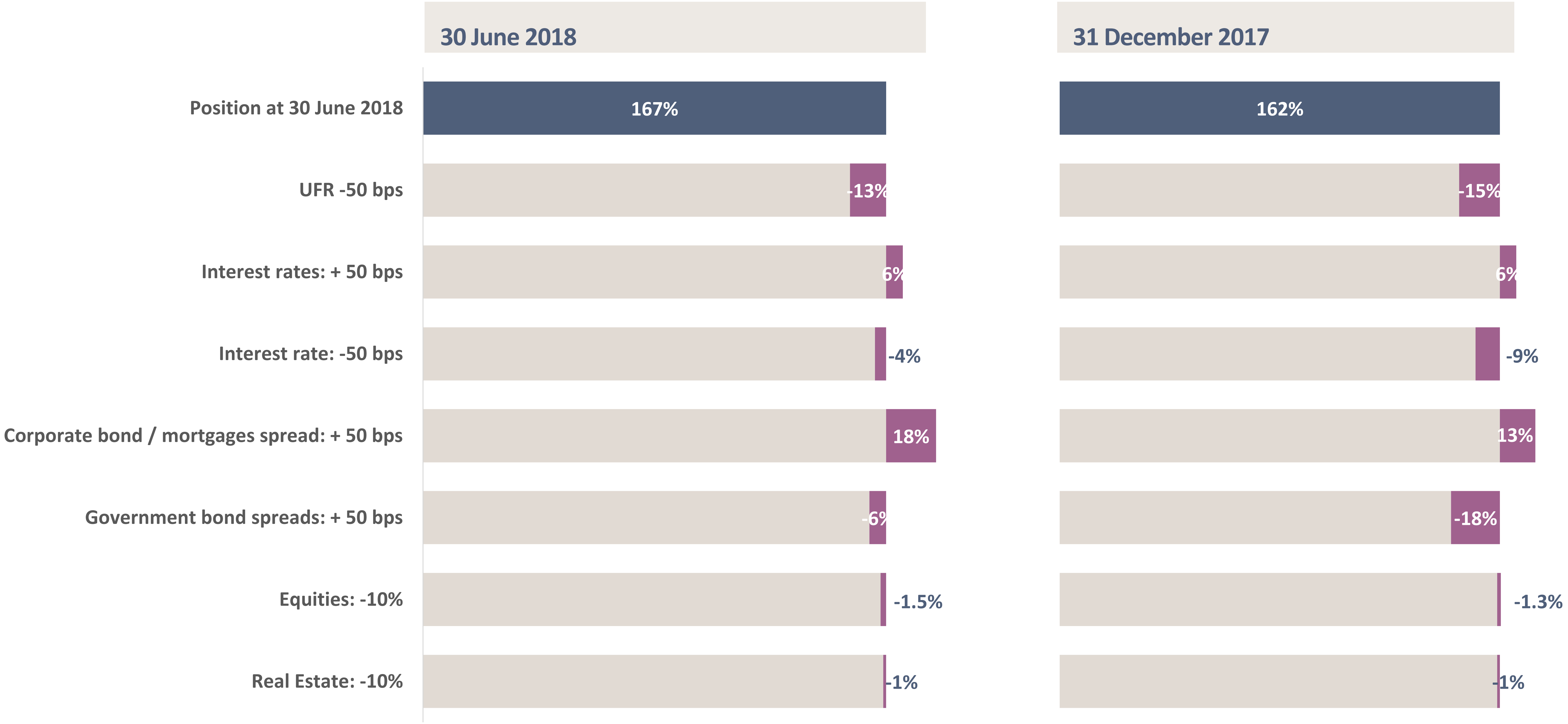
Breakdown own funds VIVAT 30 June 2018 (€ mln)



Breakdown SCR VIVAT 30 June 2018 (€ mln)



Sensitivities of the Solvency II ratio of VIVAT as of 30 June 2018 compared with YE 2017



VIVAT has Ample Liquidity

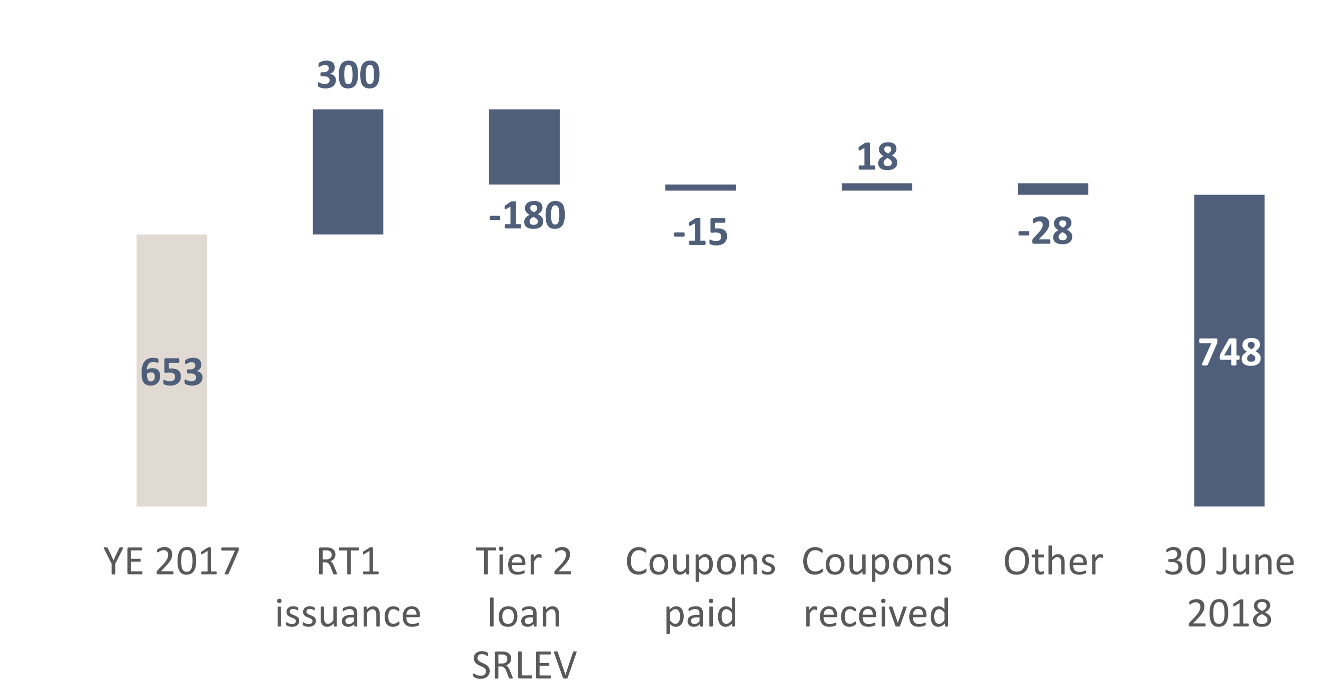
- In May 2018, VIVAT entered into a EUR 200 mln revolving credit facility with a group of leading European banks which remains undrawn

- In June 2018 VIVAT issued EUR 300 mln restricted Tier 1 notes to institutional investors
- Part of the proceeds were on-lent to SRLEV as Tier 2 capital to finance the EUR 150 mln tender offer of SRLEV's EUR 400 mln 9% subordinated notes

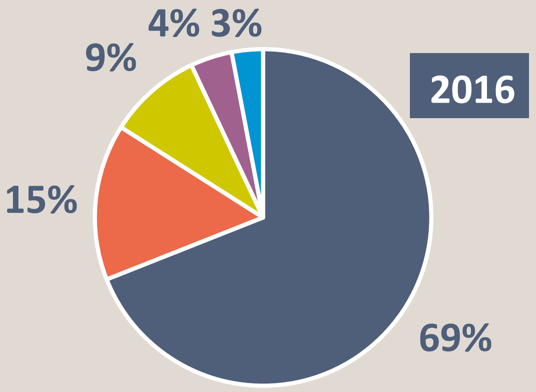
- Due to these transactions the liquidity position of the VIVAT holding increased from EUR 653 mln at YE 2017 to EUR 748 mln at 30 June 2018

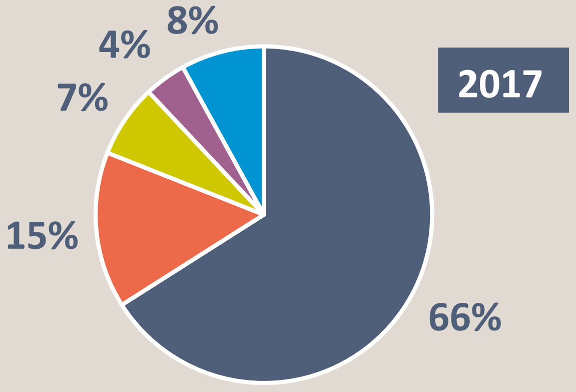
- In the third quarter, VIVAT injected EUR 200 million of share capital into SRLEV to enable further re-risking leaving the liquidity position well above EUR 500 mln

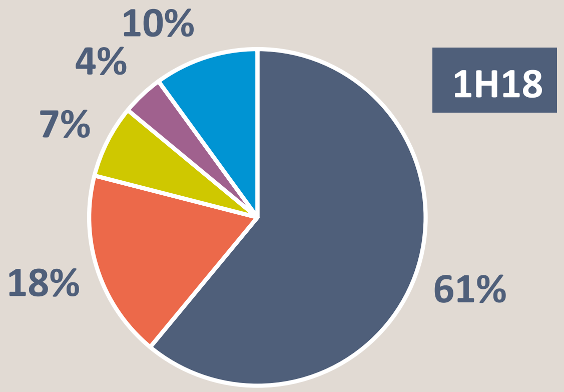
Development available liquidity holding (in € mln)



Asset Optimisation Well Underway







Amounts x € bn	2016	2017	1H18
SOVEREIGNS	**23.0**	**22.7**	**21.7**
Sovereign AAA	16.8	13.4	13.1
Sovereign AA	1.8	2.4	2.3
Sovereign A / BBB	1.0	1.3	1.3
Other sovereigns	0.1	0.6	0.2
Supranationals	3.4	4.8	4.7
CREDITS	**5.1**	**5.3**	**6.5**
Euro Financials	2.0	2.4	2.3
Euro Corp	1.6	1.8	1.8
Asset Backed Securities	1.2	0.9	0.7
Covered bonds	0.3	0.3	0.3
Credits other	0.0	0.0	1.5

	2016	2017	1H18
EQUITY LIKE	**1.3**	**1.3**	**1.4**
Real Estate	0.3	0.4	0.5
Equity	0.3	0.2	0.2
Fixed Income Funds	0.6	0.7	0.7
MORTGAGES	**2.9**	**2.6**	**2.4**
MONEY MARKET FUNDS	1.3	2.2	2.6
COLLATERAL TRADE	0.2	0.8	0.8
OTHER (a.o. derivatives)	-0.4	-0.3	0.2

High quality investment portfolio

- Re-risking has picked up momentum in 1H18 with sovereign exposure being reduced in favour of, amongst others, additions in (i) USD-denominated credits and (ii) niche real estate investments of which ramp-up is to follow in coming periods
- In anticipation of further envisaged re-risking activities, the exposure to money market funds has increased as well
- Exposure towards equities remained limited in view of continued market volatility

	Allocation 1H18	Targeted direction
Sovereigns	61%	↓↓
Credits	18%	↑
Mortgages	7%	↑
Equity like and real estate	4%	↑
Other	10%	=

Key Messages

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