

VIVAT Interim Results 2020

VIVAT Will Focus on Pensions

Stable Financial Performance in a Challenging Environment

(All presented figures on this page, except Solvency II, exclude VIVAT Non-Life)

- > Net Underlying Result decreased slightly to EUR 141 million (1H19: EUR 151 million), driven by a lower investment income as a result of rebalancing of investments in the fourth quarter of 2019, followed by substantial asset repositioning in 1H20. Limited impact of Covid-19
- > Gross premium income robust at EUR 937 million (1H19: EUR 955 million), the lower premium income as a result of the shrinking individual life market was almost fully compensated by a 6% increase of premium income at Life Corporate
- > Total operating costs 7% lower as a result of the ongoing cost saving efforts
- > Net Result IFRS decreased to -/- EUR 138 million (1H19: EUR 252 million), mainly driven by an addition in the LAT shortfall in 1H20 of EUR 200 million (1H19: release of EUR 135 million)

- > VIVAT received a capital injection of EUR 400 million from its new shareholder Athora of which EUR 300 million was down streamed to SRLEV to enable substantial asset repositioning
- > Solvency II ratio of VIVAT NV at 160% (YE19: 170%) being resilient among market volatility and change in ownership, fully absorbing higher capital charges following the asset repositioning
- > Solvency II ratio of SRLEV NV stable at 159% (YE19: 163%)

- > Athora has completed its acquisition of VIVAT by acquiring 100% of the shares in VIVAT from Anbang and has sold 100% of the shares of VIVAT Non-Life to NN Group
- > New management team in place
- > Strategy review concluded: VIVAT will focus on pension solutions, operating under one brand (Zwitserleven). A substantial investment will be made to boost new initiatives. The refocused organisation will be targeting a 30% reduction of the total cost base within three years
- > VIVAT to be rebranded as Athora Netherlands in the fourth quarter of 2020

VIVAT key figures (excluding VIVAT Non-Life)

In € millions/percentage ¹	1H20	1H19
Net Underlying Result VIVAT ²	141	151
Net Result IFRS ³	-138	252

In € millions/percentage	1H20	FY19
Solvency-II ratio VIVAT	160%	170%
Equity ¹	3,625	3,838

¹ Per April 1, 2020 VIVAT Non-Life was sold. The 2019 comparative figures have been restated in line with IFRS 5 including reclassification of the figures of VIVAT Non-Life to Net result from discontinued operations.

² Net Underlying Result consists of Net Result IFRS excluding changes in fair value of assets and liabilities (incl. LAT-shortfall) and non-recurring expenses.

³ Net Result IFRS is for continued operations for the period. Discontinued operations are excluded.

Tom Kliphuis, Chairman of VIVAT's Executive Board:

“Right from the first day after the closing of the acquisition of VIVAT by Athora, we have worked very hard to develop a new strategy for the company. The key word of this new strategy is ‘focus’. VIVAT will focus on becoming the number one pension provider in the Netherlands. We will build on our knowledge of the Dutch market, use specific investments skills from Athora and will grow the business under the strong and well known Zwitserleven brand. This enables us to offer best value for money to our customers. Our focus on pensions will create a much simpler organisation. The migration of VIVAT Non-Life to NN requires an adjustment of the organisation, resulting in a lower cost base and a reduction of the number of jobs. At the same time we plan to invest a considerable amount over the next three years in our people, products and systems. Our existing and future customers can expect higher returns and also enjoy an improved service level following the implementation of a fully dedicated service organisation. It is our ambition, together with our distribution partners and our colleagues from Athora to become the champion in pensions.

We will align the VIVAT organisation with the revised strategy and significantly reduce overhead costs through a reduction of support functions and automation initiatives. In addition to the 575 FTE, including 110 external FTE, transferring to NN in the coming 18 months the revised strategy will enable a further reduction of 400 to 500 FTE over the coming 3 years. In total we expect to reduce cost by 30% within 3 years. After close consultation with the works council, VIVAT will start to execute on the new plans as of the fourth quarter of 2020.

VIVAT's financial results were solid despite the Covid-19 pandemic. Our key priorities throughout the pandemic have been to support and ensure the best care for our customers, our employees and other stakeholders while protecting the long-term value of VIVAT.

Our solvency remained stable at 160%. Following the sale of VIVAT Schade and the capital injection by Athora, VIVAT was able to make use of the challenging market conditions to further optimise its investment portfolio while fully absorbing the higher capital charges.

VIVAT showed a stable financial performance. The Net Underlying Result was comparable to the first half of 2019, costs came in lower and we kept strong commercial momentum in Pensions. This was supported by a high retention rate of 84% at Life Corporate, a 30% of new inflow in the Zwitserleven PPI and a steep increase in the sale of direct annuities.

On the 2nd of April it was announced that Athora completed its acquisition of VIVAT by acquiring 100% of the shares in VIVAT from Anbang and has sold 100% of the shares of VIVAT Non-Life to NN Group. With the combined capabilities of VIVAT and Athora, we will be best placed to fulfil our customers' needs and to build further upon our strong market position in pensions. The additional financial resources provided to VIVAT by Athora are highly beneficial to our customers, business partners and employees. Going forward, we will make use of the best practices within Athora Group and create synergies. Simultaneously, together with NN Group, VIVAT is working towards a smooth migration of VIVAT Non-Life into NN.

Finally I wish to thank all of our employees and business partners, for their incredible effort and commitment in supporting our business and providing an uninterrupted service to our customers during these challenging times.”

Strategy Review

Over the past months VIVAT has conducted a strategy review. The market VIVAT operates in is undergoing fundamental change, further accelerated by the pension reform. In addition, the sale of the Non-Life business, requires and enables the operating model to be made less complex and more efficient. This creates an opportunity for VIVAT to become a fully focused pension provider, supported by a dedicated service organisation combined with strong investment capabilities. Also a substantial investment will be made to boost new initiatives, amongst others in the areas of automation and improving portals. All our customers will benefit from this renewed focus.

VIVAT will simplify its product portfolio and focus on pension solutions. The ambition is to become the number one pension provider in the Netherlands, offering the best value for money. Three growth areas will be targeted: pension savings, retirement solutions and pension buy-outs. All new products will be sold under the strong Zwitserleven brand.

Following the company's revised strategy and the sale of VIVAT Non-Life, overhead costs need and will be reduced as fewer and smaller support functions are needed and automation initiatives will be initiated or accelerated. 575 FTE, of which 110 is external staff, are allocated to NN which will move over in the coming one and a half year. As a result of the refocused and smaller organisation, another 400 to 500 FTE reduction is foreseen over the coming 3 years. This will be a combination of unfilled vacancies, natural attrition and a reduction in external and internal FTE. Together with all other defined cost savings initiatives, it is envisaged that this will lead to a 30% lower cost base within three years. VIVAT is committed to conducting these reductions with care and in close consultation with the works council.

VIVAT will safeguard and further enhance its social responsible investing credentials, and continues to embed sustainable insurance and corporate social responsibility practices in the organisation.

Going forward VIVAT will make use of the best practices within Athora Group and create synergies. VIVAT will start to execute on the new plans as of the fourth quarter of 2020 and will then also be rebranded to Athora Netherlands, the new name for the holding company.

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, the company experienced limited operational issues during the Covid-19 Lockdown. This enabled VIVAT to meet 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. 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.

Financial Result Continued Operations

In € millions ¹	1H20	1H19
Result		
Premium Income	937	955
Direct Investment Income	586	655
Operating expenses ²	117	126
Net underlying result VIVAT	141	151
Net Result IFRS	-138	252

¹ Per April 1, 2020 VIVAT Non-Life was sold. The 2019 comparative figures have been restated in line with IFRS 5 including reclassification of the figures of VIVAT Non-Life to Net result from discontinued operations.

² Operating expenses net of recharged income of EUR 24 million to NN Group for servicing Non-Life

The Net Result IFRS decreased by EUR 390 million compared to 2019 mainly driven by an addition in the LAT shortfall in the first half of 2020 of EUR 200 million versus a release of the LAT shortfall of EUR 135 million in the first half of 2019.

The Net Underlying Result is EUR 10 million lower in the first half of 2020 mainly driven by the effects of rebalancing of investments (selling off US High Yield bonds) that occurred in Q4 of 2019, followed by substantial asset repositioning in the first half of 2020.

Premium income decreased slightly by EUR 18 million from EUR 955 million to EUR 937 million. Premium income of Individual Life declined as a result of the shrinking market, while premium income of Life Corporate increased by 6%.

Operating expenses decreased by 7% underpinned by continuous cost savings efforts.

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

In € millions	1H20	1H19
Net Underlying Result VIVAT	141	151
1) Change LAT-shortfall Life in P&L	-200	135
2) Other (un)realised changes in fair value of A/L	-79	-34
3) One-offs and Non operating expenses and profits	0	0
Net Result IFRS VIVAT	-138	252

The downturn in the change of the LAT-shortfall Life in the first half year of 2020 was driven by widening spread developments on investments and the annual decrease of the UFR by 15 basis points. In the first half year of 2019 the LAT-shortfall was also negatively impacted by the decrease of the UFR by 15 basis points, however this was offset by favorable market developments in interest and spreads.

Other (un)realised changes in fair value of assets and liabilities in the first half of 2020 were negatively impacted by the tender of the senior debt and negative unrealised results on value changes of derivatives. The negative result in first half of 2019 was mainly impacted by unrealised results on value changes of derivatives.

No one-offs and non-operating expenses and profits were reported in the first half year of 2020 and 2019.

Financial Result per Segment

Life Corporate

In € millions	1H20	1H19
Result		
Gross Premium Income	595	561
Premium contributions Zwitterleven PPI ¹	89	68
Direct Investment income	350	385
Operating expenses	44	48
Net Result IFRS	-157	190
Net Underlying Result	98	105

¹ Premium contributions Zwitterleven PPI is not part of the P&L of LC.

Life Corporate continued its commercial growth in 2020. Despite the challenging market environment, the first half of 2020 saw positive commercial accomplishments. Gross Premium Income of EUR 595 million increased 6% compared to 2019. Despite the Covid-19 pandemic, the retention rate fell marginally from 87% to 84%. The new production of direct annuities showed a significant increase whilst the annualised inflow of the Zwitterleven PPI grew from EUR 68 million to EUR 89 million, a 30% increase in volume.

Despite the growth in gross premium income, the operating expenses decreased by EUR 4 million to EUR 44 million.

The Net Result IFRS decreased to -/- EUR 157 million and the NUR decreased by 7% to EUR 98 million, primarily driven by the drop in investment income resulting from the rebalancing of investments at the end of 2019.

All elements that affect the LAT of SRLEV NV are allocated to Life Corporate. This is an important driver of the IFRS result of Life Corporate. The Net Result IFRS of Life Corporate in 2020 was negatively influenced by an addition to the LAT shortfall of -/- EUR 200 million, compared to a positive LAT impact of EUR 135 million in the first half of 2019 primarily as a result of market movements.

Individual Life

In € millions	1H20	1H19
Result		
Gross Premium Income	345	398
Direct Investment income	234	252
Operating expenses	38	43
Net Result IFRS	57	58
Net Underlying Result	53	54

Facing challenging economic circumstances Individual Life managed to deliver stable results. Gross premium income decreased by 13% from the same period last year, mainly as a result of the shrinking individual life market in the Netherlands and lower sales of immediate annuities. Operating expenses were EUR 5 million lower compared to the first half of previous year as a result of continuing digitalisation efforts and the portfolio run-off.

The Net Underlying Result of EUR 53 million is marginally lower compared to the previous year, mainly due to lower direct investment income as a result of the portfolio run-off in combination with the low interest rate environment.

Net Result IFRS is in line with the result in the first half year of 2019 at EUR 57 million.

ACTIAM

In € millions	1H20	1H19
Result		
Fee and commission income	31	32
Fee and commission expenses	12	14
Net fee and commission income	19	18
Operating expenses	22	26
Net Result IFRS	-2	-6
Net Underlying Result	-2	-6
Assets Under Management (€ billions)	59.6	60.5

The Net Result IFRS improved by EUR 4 million compared to the first half of 2019, and amounts to a loss of EUR 2 million. The decrease of losses is driven by lower outsourcing costs, custodian costs and distribution costs, as well as savings associated with the optimisation of organisational efficiency. This positive effect is partly offset by a reduction in asset management fees following a reduction in assets under management. This is due to the notification of a partial termination by a prominent distributor (as announced at the end of last year), offset by positive market movements. As of 30 June 2020, total Assets under Management was EUR 59.6 billion.

Holding

In € millions	1H20	1H19
Result		
Net fee and commission income ¹	-2	-1
Direct Investment income	4	22
Operating expenses ¹	15	10
Other interest expenses	27	17
Net Result IFRS	-36	10
Net Underlying Result	-7	-3

¹ Net fee and commission income and Operating expenses net of recharged income of EUR 24 million to NN Group for servicing Non-Life.

The lower Net Underlying Result was mainly driven by increased operating expenses incurred as a result of strategic projects related to the acquisition of VIVAT by Athora.

Direct investment income was EUR 18 million lower mainly due to the decision of SRLEV not to pay the coupon payment on the internal restricted Tier 1 loan provided by VIVAT NV. VIVAT NV down streamed EUR 300 million of the EUR 400 million capital injection of Athora into SRLEV to enable the substantial asset repositioning. Other interest expenses increased as a result of the tender of Senior Debt.

The Net Result IFRS decreased by EUR 46 million in the first half year of 2020 compared to last year and amounts to -/- EUR 36 million. The result was impacted by a negative result recorded on the tender of Senior Debt (EUR 29 million) and SRLEV not paying the coupon on the Tier 1-loan (EUR 20 million).

Capital Management

In € millions/percentage	1H20	FY19
Eligible own funds VIVAT NV	4,590	4,340
Consolidated Group SCR	2,873	2,548
Solvency II ratio VIVAT NV	160%	170%
Eligible own funds SRLEV NV	4,396	3,697
Consolidated SRLEV SCR	2,767	2,275
Solvency II ratio SRLEV NV	159%	163%

The Solvency II ratio of VIVAT decreased from 170% at the end of 2019 to 160% at the end of June 2020. This figure does not take into account potential dis-synergies following the transfer of VIVAT Schade and any relevant management actions.

VIVAT received a EUR 400 million share premium contribution from Athora following the acquisition which had a positive impact of 14%-point. This enabled VIVAT to further reposition its asset portfolio. VIVAT used the market conditions in the first half of the year to invest in EUR 5 billion of targeted high-quality investment grade and predominantly senior credits with the aim to increase investment

income going forward. These investments were primarily funded by sovereign bonds and cash. The accompanying increase in required capital led to a 24%-point decrease in the Solvency II ratio.

The transfer of VIVAT Schade to NN Group following the sale of VIVAT to Athora had a negative impact of 6%-point on the Solvency II ratio, as the decrease in required capital did not offset the decrease in own funds.

The decrease in the level of the UFR with 15 bps to 3.75% had a negative impact of 3%-point.

Capital generation was -/-2%-point, as due to the decrease in interest rates the negative impact of the UFR drag increased. Following the substantial asset repositioning in the first half of 2020, capital generation is expected to improve going forward.

Market impacts had a positive impact of 14%-point on the Solvency II ratio. The positive impact of the increase in the VA from 7 bps to 19 bps was partly offset by the impact of spread movements, resulting in a net impact of +9%-point. The decrease in interest rates and other movements had a positive impact of 5%-point.

The interest rate shock used to calculate the SCR interest rate risk switched from the interest up to the interest down scenario. This resulted in a decrease in diversification benefits when calculating the SCR with a negative impact of 8%-point.

The Solvency II ratio of SRLEV decreased from 163% to 159%. The drivers of the reduction in the Solvency II ratio of SRLEV are similar to that of VIVAT. SRLEV received EUR 300 million capital from VIVAT in the form of a EUR 200 million share premium contribution and a EUR 100 million Tier 1 loan.

Statement of Financial Position VIVAT Excluding Non-Life in FY19

In € millions	1H20	FY19
Assets		
Investments	41,733	40,127
Investments for account of policyholders	12,953	13,520
Investments for account of third parties	1,664	1,045
Loans and advances due from banks	695	712
Cash and cash equivalents	315	305
Equity		
Shareholders equity	3,325	3,538
Holdings of other equity instruments	300	300
Total equity	3,625	3,838
Liabilities		
Insurance liabilities	50,531	49,005
Subordinated debt	868	868
Borrowings	61	645
Liabilities investments for account of third parties	1,664	1,045
Amounts due to banks	4,613	2,751

Assets

Investments for own account have increased in 2020 by EUR 1.6 billion. Main inflows originated from higher received cash collateral for derivatives and increased prices of investments due to decreased market interest rates.

The decrease of investments for account of policyholders was mainly driven by lower market value of equities.

Shareholders' Equity

Shareholders' equity decreased due to a dividend upstream after the sale of P&C business -/- EUR 416 million, the net loss for the period of -/- EUR 110 million and changes in revaluation and other reserves -/- EUR 87 million, offset by capital injection by the shareholder of EUR 400 million.

Liabilities

Insurance liabilities increased in the first half of 2020 mainly as a result of decreased market interest rates. Amounts due to banks increased mainly as a result of higher received cash collateral for derivatives. Borrowings decreased as a result of the successful tender offer of subordinated notes.

Consolidated Statement of Financial Position VIVAT NV

In € millions ¹	1H20	FY19
Assets		
Property and equipment	55	62
Investments in associates	39	37
Investment property	486	460
Investments	41,733	41,572
Investments for account of policyholders	12,953	13,520
Investments for account of third parties	1,664	1,045
Derivatives	5,102	3,102
Deferred tax assets	518	449
Reinsurance share	37	111
Loans and advances due from banks	695	712
Corporate income tax	33	2
Other assets	338	262
Cash and cash equivalents	315	351
Total assets	63,968	61,685
Equity and liabilities		
Share capital ²	0	0
Reserves	3,325	3,538
Shareholders equity	3,325	3,538
Holder of other equity instruments	300	300
Total equity	3,625	3,838
Subordinated debt	868	868
Borrowings	61	645
Insurance liabilities	50,531	50,088
Liabilities investments for account of third parties	1,664	1,045
Provision for employee benefits	624	629
Other provisions	15	15
Derivatives	1,045	676
Amounts due to banks	4,613	2,803
Other liabilities	922	1,078
Total equity and liabilities	63,968	61,685

¹ The FY 2019 figures contain VIVAT Schadeverzekeringen NV

² The issued and paid up share capital of VIVAT NV is € 238.500

Consolidated Statement of Profit or Loss VIVAT NV incl. VIVAT Non-Life

In € millions	1H20	1H19
Income		
Premium income	937	955
Less: Reinsurance premiums	125	99
Net premium income	812	856
Fee and commission income	55	33
Fee and commission expense	8	8
Net fee and commission income	47	25
Share in result of associates	1	-1
Investment income	723	647
Investment income / expenses for account of policyholders	-343	1,358
Result on investments for account of third parties	-86	97
Result on derivatives	1,510	1,594
Total income	2,664	4,576
Expenses		
Technical claims and benefits	2,726	2,562
Charges for account of policyholders	-32	1,409
Acquisition costs for insurance activities	8	8
Result on liabilities from investments for account of third parties	-86	97
Staff costs	103	92
Depreciation and amortisation of non-current assets	3	3
Other operating expenses	35	31
Impairment losses	11	1
Other interest expenses	66	51
Total expenses	2,834	4,254
Result before taxation	-170	322
Tax expense	-32	70
Net result continued operations for the period	-138	252
Net result from discontinued operations ¹	60	27
Net result for the period	-78	279
Net Underlying Result	139	161

¹ Per April 1, 2020 VIVAT Non-Life was sold. The 2020 YTD results and sale result of VIVAT Non-Life are classified under Net result from discontinued operations. The 2019 comparative figures have been restated in line with IFRS 5 including reclassification of the figures of VIVAT Non-Life to Net result from discontinued operations.

Result from Discontinued Operations (VIVAT Non-Life)

In € millions ¹	1H20	1H19
Result		
Gross Premium Income	207	379
Direct Investment income	3	8
Operating expenses	26	56
Net operating result from discontinued operations	4	27
Gain on disposal	56	0
Net Result IFRS from discontinued operations	60	27
Net Underlying Result	-2	11
Combined Ratio (COR)	101.2%	96.0%

¹The 1H20 figures from VIVAT Non-Life contain the results of Q1 2020 and the gain on disposal to NN in Q2 2020.

Alternative Performance Measures

This press release contains alternative performance measures (APM's) in addition to the figures which have been prepared in accordance with the International Financial Reporting Standards (IFRS).

- *Definition and usefulness of Net Underlying Result (NUR):*
Net Result IFRS of VIVAT has a high volatility as result of the valuation of all assets and liabilities on a fair value basis. In the NUR major fair value movements as result of market developments and parameter changes have been eliminated from IFRS-result. VIVAT believes that the NUR provides useful information to stakeholders and investors which results in greater comparability of results with peers and that it enhances their understanding on the financial impact of management decisions (e.g. re-risking of investments, additional cost-savings). The NUR should be viewed as complementary to, and not as a substitute for Net Result IFRS.
- *Limitations of the usefulness Net Underlying Result:*
The large difference between Net Result IFRS and NUR is driven by a number of items.

Besides the result of new business the NUR also includes realisation of interest and technical results on the existing (old) business portfolio. As VIVAT values virtually all of its assets and liabilities on a fair value basis, these specific results are already included within Equity. Reported results on existing (old) portfolio in NUR are reversed in net result IFRS by means of a change in the LAT shortfall. The NUR is therefore not a full reflection of economic value added.

The increase in NUR is partly driven by the interest income on derivatives that will balance out when these instruments mature. This impact is offset by the fair value of technical provisions (LAT shortfall) in the net result IFRS, whilst any changes in LAT shortfall have been excluded from the net underlying result. This therefore increases the difference between NUR and net result IFRS.

Given the complexity in valuation of derivatives it is not possible to fully eliminate all fair value movements from NUR. This could lead to distortion in comparability of figures between different periods. In addition to the impact of additional investment income from derivatives the increase of the NUR was also supported by ongoing re-risking activities, lower costs and lower interest expenses.

Further differences between NUR and net result IFRS relate to the above mentioned one-off items (longevity reinsurance and DTA adjustment) that had a negative impact on the net result IFRS but were excluded from the NUR.

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About VIVAT

VIVAT NV is the holding company for, among others, SRLEV NV, Proteq Levensverzekeringen NV, ACTIAM NV and Zwitserleven PPI NV. VIVAT's subsidiaries are also active on the Dutch market with, among others, the Zwitserleven, Reaal and ACTIAM brands. A balance sheet total of EUR 64 billion (end of June 2020) makes VIVAT one of the largest insurers in the Netherlands. Athora Netherlands Holding Ltd. is the sole shareholder of VIVAT NV. For more information please visit www.vivat.nl.

Disclaimer

This press release is released by VIVAT NV and contains information that qualified or may have qualified as inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 (MAR), encompassing information relating to the interim results 2020 of VIVAT NV as described above.

This press release exclusively contains factual information and must not be interpreted as an opinion or recommendation with regard to the purchase or sale of securities issued by VIVAT NV and/or one or more of its subsidiaries. This press release does not contain any value judgements or predictions with regard to the financial results of VIVAT NV and/or its subsidiaries. If you do not wish to receive any press releases from VIVAT, please send an email to info@vivat.nl.

This press release contains summary information only and does not purport to be comprehensive and is not intended to be (and should not be used as) the sole basis of any analysis or other evaluation and should be read in combination with the annual report 2019 of VIVAT NV.

As per June 30 2020 the same key accounting principles have been applied as per December 31 2019 for the annual report 2019 of VIVAT NV.

All figures in this document are unaudited.