



## **Athora and NN Group Provide Long-Term Solution for VIVAT**

### **Transaction Highlights**

- Athora to acquire VIVAT N.V. and retain the life and asset management businesses, positioning the company for future growth in the Netherlands.
- NN Group to acquire the non-life business as new owner of VIVAT Schadeverzekeringen N.V.
- The acquisition offers VIVAT policyholders, employees, and distribution partners a long-term solution from an established and renowned Dutch insurance brand and a specialized insurance group focused on Europe.
- The transaction leads to a stronger proposition in the respective life and non-life markets in the Netherlands, enhancing customer offerings and injecting fresh capital in the Dutch insurance market.
- Both new owners have a long-term, strategic commitment to the Dutch insurance market and offer a strong and solid financial base.
- Athora's future plans are to grow the VIVAT life business, delivering value to existing policyholders and Dutch consumers through new product innovation, price competition, continued strong customer advocacy, and commitment to sustainability.
- All of VIVAT's Life brands, including Zwitserleven and Reaal will remain present in the Dutch market.
- The headquarters of VIVAT will remain in Amstelveen.
- Financial terms of the overall transaction were not disclosed, but NN Group is acquiring VIVAT Schade for €416 million in cash.
- Athora's consideration will be funded by commitments from its existing shareholder base and a limited amount of term debt.
- After adjusting for the transaction, Athora will have approximately €70 billion of consolidated assets and VIVAT's approximately 2.2 million life policyholders will join Athora's existing 800,000 policyholders.
- The transaction is subject to applicable anti-trust and regulatory clearances as well as works council consultation.

**7 June 2019, Amstelveen, the Netherlands – Athora Holding Ltd. ("Athora") and VIVAT N.V. ("VIVAT") announce the intention of Athora to acquire VIVAT from Anbang Group Holdings Co Ltd. ("Anbang"). NN Group ("NN") will become the new owner of VIVAT Schadeverzekeringen N.V. ("VIVAT Schade") as soon as possible following the closing of the acquisition by Athora. Athora will retain VIVAT's life and asset management businesses. This transaction will result in**

**stronger propositions in the respective life and non-life markets in the Netherlands, enhance customer offerings and deliver fresh capital to the Dutch insurance market.**

Michele Bareggi, CEO of Athora, states: *“Today marks our entrance in the Dutch market following our acquisitions and integration of the insurance businesses of Generali in Belgium, Aegon in Ireland and Delta Lloyd in Germany. We are building a specialised insurance group in Europe and VIVAT’s strong presence, including its compelling brand portfolio, will become a significant part of our European operations. We aim to invest in the life business in the Netherlands and deliver value not only to VIVAT’s existing customers, but also to Dutch consumers overall. New product introductions, competitive pricing and a renewed focus on a broad spectrum of customer services will be part of our offering. We kindly welcome the VIVAT employees to the Athora family and look forward to working together in the future to build on the already strong reputation of the VIVAT brands.”*

Ron van Oijen, Chairman of VIVAT’s Executive Board, states: *“Since 2016 VIVAT has made an extensive transformation which helped us to create a leading, customer focused, efficient and innovative insurer. We are confident that the acquisition by Athora and NN Group will further build upon the knowhow of the VIVAT employees to become even stronger players within the Dutch insurance market. Our customers can expect that the high service level will be continued going forward.”*

Lard Friese, CEO of NN Group, states: *“We are pleased that together with Athora, we can offer VIVAT stakeholders a clear path for the future. For us, this acquisition represents a next step in strengthening our non-life business. After the acquisition of Delta Lloyd in 2017, we gained valuable experience in successfully integrating business operations. In today’s competitive markets, scale is essential to deliver attractive and sustainable customer propositions in the long-term. Moreover, it increases our ability to invest in digital capabilities and innovation, which are key to anticipating customer trends and drive the customer experience forward. VIVAT policyholders will benefit from the quality of our service and broad product offering. The expertise of the VIVAT non-life employees is important for the future success of the new combined non-life business.”*

### **Strategic Rationale**

Given Anbang’s decision to divest VIVAT, the acquisition by Athora, and subsequently NN Group, offers the best long-term solution for VIVAT. Athora and NN Group offer the knowledge, ambition and financial strength to provide VIVAT’s policyholders with long-term certainty and attractive, stable returns, while also maximising the benefits for other key stakeholders.

The new shareholders offer a strong and solid financial ‘base’ – for the deal and for the future entity. The existing strong capitalisation of NN Group and Athora combined with Athora’s fresh capital coming into the Dutch market, results in a more competitive and stable insurance industry. This is a “best of both worlds” solution for VIVAT, combining an established and renowned Dutch insurance brand with a specialised and focused European insurance player. Given the joint strength of both parties, NN Group and Athora are able to provide a natural and logical home to all involved with VIVAT.

The Dutch market is attractive for Athora because of its strong economic fundamentals, positive

outlook and robust regulatory environment that recognises an economic view of insurers' balance sheets. VIVAT provides a strong platform for future growth due to its scale in the Dutch market, strong brands, deep distribution and underwriting capabilities in life & pensions, and a recently modernised and scalable IT platform. In addition, there is significant growth potential in life & pensions, especially guaranteed products, that Athora intends to develop further.

Athora will continue to run VIVAT as a standalone company with the objective to become the leading player in life & pension guaranteed products in the Netherlands, with a sustainable and value generative business model delivering better outcomes to all stakeholders. The improved capital position and capital generation capabilities at VIVAT following the transaction will increase certainty of policyholder benefit payments and further secure the future for the VIVAT organisation.

### **Transfer of the Non-Life Business**

Ownership of VIVAT Schade will transfer to NN Group as part of the overall transaction. A transitional services agreement ("TSA") will be entered into between VIVAT and NN Group at closing and will set forth the services to be performed by VIVAT during the migration period of two years. The focus of the TSA is to ensure business continuity, service standards and adequate support to achieve a smooth transfer of the non-life business.

### **Employees**

Athora sees many opportunities for employees in the future VIVAT franchise. Athora needs experienced and motivated staff to grow the business through organic means and to position the VIVAT platform as a leading contender to consolidate life businesses in the Netherlands. Athora also desires to continue to grow its businesses in the markets in which it operates today. These exciting growth prospects present VIVAT colleagues with opportunities for growth and development. At the same time, Athora will continue working with the VIVAT Executive Board in the execution of its transformation programme.

### **Governance**

VIVAT's Supervisory Board and Executive Board are fully supportive of this transaction and the new chapter into which VIVAT and its life brand portfolio will be entering. Both boards are encouraged that this brand portfolio will continue its presence in the Netherlands. Working with VIVAT, one of Athora's key priorities will be to provide continuity for VIVAT's customers. VIVAT will remain a Dutch-regulated entity and its insurance policies will stay in the Netherlands. The headquarters of VIVAT will remain in Amstelveen.

### **Conditions and Process**

Completion of both transactions is subject to customary closing conditions such as regulatory approvals, including (i) declarations of no-objection from the Dutch Central Bank; (ii) approval from the Netherlands Authority for the Financial Markets; and (iii) antitrust clearance. Furthermore both the acquisition of VIVAT by Athora and the acquisition of VIVAT Non-life by NN Group are subject to consultation of the works council of VIVAT.

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NN Group and Athora will seek to obtain all necessary approvals and antitrust clearances as soon as possible. The required advice of the VIVAT works council and consultation with the unions will commence immediately. Both transactions are anticipated to be completed in Q1 2020.

Deutsche Bank and Aperghis & Co acted as financial advisers to Athora, Stibbe and Slaughter and May served as legal advisers and KPMG acted as diligence advisors to Athora on the transaction.

In connection with the transaction, Anbang's sole financial advisor was J.P. Morgan and its legal counsel was Allen & Overy.

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#### **Wires Call**

Lard Friese (CEO NN Group), David Knibbe (CEO Nationale-Nederlanden) and Michele Bareggi (CEO Athora) will host a joint press call to discuss the proposed acquisition, which will be held at 7.45 am CET on Friday 7 June 2019. Journalists can join the press call at +31 20 531 5863 (NL).

## **Press Conference**

David Knibbe and Michele Bareggi will host a Press conference at 9.30 am CET on Friday 7 June 2019 at the hotel Crowne Plaza Amsterdam-South, George Gershwinlaan 101, Amsterdam.

### **About Athora Holding Ltd.**

Athora is a specialised insurance and reinsurance group fully focused on the European market. Athora dedicates its focus, capital, time and technical insights to offering its customers a stable, long-term performance on its products. Athora's principal subsidiaries are Athora Belgium N.V./S.A. (Brussels), Athora Lebensversicherung AG (Wiesbaden, Germany), Athora Ireland plc (Dublin) and Athora Life Re Ltd. (Bermuda). The Athora group employs some 800 staff and has more than 800,000 policyholders for total consolidated assets of approximately € 15 billion. On 7 June 2019, Athora announced the acquisition of leading Dutch insurance holding company VIVAT N.V. For further information, go to: [www.athora.com](http://www.athora.com).

### **About VIVAT N.V.**

VIVAT N.V. is the holding company for, among others, SRLEV N.V., VIVAT Schadeverzekeringen N.V., Proteq Levensverzekeringen N.V., ACTIAM N.V. and Zwitserleven PPI N.V. VIVAT's subsidiaries are also active on the Dutch market with, among others, the Zwitserleven, Reaal and ACTIAM brands. A balance sheet total of € 56 billion (end of December 2018) makes VIVAT one of the largest insurers in the Netherlands. Anbang Group Holdings Co. Ltd., a full subsidiary of Anbang Insurance Group Co. Ltd, is the sole shareholder of VIVAT N.V. For more information please visit [www.vivat.nl](http://www.vivat.nl).

## Press release

7 June 2019

## NN Group to acquire VIVAT Non-life, further enhancing its Dutch market position

- **NN Group acquires VIVAT Non-life activities (VIVAT Schadeverzekeringen N.V.) for a consideration of EUR 416 million**
- **NN Group will acquire these activities from Athora, following the acquisition of VIVAT by Athora**
- **In addition, NN Group will acquire the intercompany Tier 2 loans granted by VIVAT holding to VIVAT Non-life for a consideration of EUR 150 million**
- **Acquisition of VIVAT Non-life will add scale, further strengthen NN Group's leading Non-life platform in the Netherlands, improve its customer propositions, create synergies and increase shareholder returns**
- **Envisaged double digit return on investment and an expected increase in free cash flow of ~EUR 50 million per annum by 2022**
- **Transaction to be funded from existing cash resources, current share buyback programme unaffected**
- **Strong balance sheet post transaction, pro-forma 1Q19 Solvency II ratio of 207%**

Today, Athora and NN Group announce that a binding agreement has been reached with Anbang Group Holdings Co Ltd on the acquisition of all activities of VIVAT. NN Group is to acquire VIVAT Non-life and de Volksbank Non-life distribution agreement, which will enhance NN's strategic position and further strengthens its Non-life platform in the Netherlands.

Lard Friese, CEO of NN Group: 'We are pleased that together with Athora, we can offer VIVAT stakeholders a clear path for the future. For us, this acquisition represents a next step in strengthening our Non-life business in our home market. After the acquisition of Delta Lloyd in 2017, we gained valuable experience in successfully integrating business operations. In today's competitive market, scale is essential to deliver attractive and sustainable customer propositions in the longterm. Moreover, it increases our ability to invest in digital capabilities and innovation, which are key to anticipating customer trends and driving the customer experience forward. VIVAT policyholders will benefit from the quality of our service and broad product offering. The expertise of the VIVAT Non-life employees is important for the future success of the new combined Non-life business.'

Michele Bareggi, CEO of Athora: 'Today marks our entrance in the Dutch market following our acquisitions and integration of the insurance businesses of Generali in Belgium, Aegon in Ireland and Delta Lloyd in Germany. We are building a specialised insurance group in Europe and VIVAT's strong



presence, including its compelling brand portfolio, will become a significant part of our European operations. We aim to invest in the life business in the Netherlands and deliver value not only to VIVAT's existing customers, but also to Dutch consumers overall. New product introductions, competitive pricing and renewed focus on a broad spectrum of customer services will be part of our offering. We kindly welcome VIVAT's employees to the Athora family and look forward to working together in the future to build on the already strong reputation of the VIVAT brands.'

Ron van Oijen, Chairman of VIVAT's Executive Board: 'Since 2016 VIVAT has made an extensive transformation which helped us to create a leading, customer focused, efficient and innovative insurer. We are confident that the acquisition by Athora and NN Group will further build upon the knowhow of the VIVAT employees to become an even stronger player within the Dutch insurance market. Our customers can expect that the high service level will be continued going forward.'

#### **Strategic rationale**

This transaction further strengthens NN's Non-life business. Scale is important in delivering attractive and sustainable customer and business partner propositions in the longterm. Following the acquisition of VIVAT Non-life, NN Group will become the market leader in Dutch Non-life. VIVAT Non-life increases NN's market share in both the Property & Casualty and Disability & Accident segments. In addition, the acquisition will create synergies which will lead to an increase in free cash flow of approximately EUR 50 million per annum by 2022. The VIVAT Non-life and the NN Non-life distribution channels are complementary and the acquisition will further optimise capabilities in the bancassurance, broker and direct channels.

The acquisition is expected to result in upfront capital synergies arising from diversification benefits under Solvency II. Additional capital synergies are expected following further progress with the integration, and the application of the NN Group's Partial Internal Model. Cost synergies will be reflected in future capital generation, and restructuring costs are expected to be in line with precedent transactions of a similar nature.

#### **Acquisition structure**

Athora and NN Group will continue to cooperate after closing to effectuate the disentanglement of the VIVAT Non-life business, and subsequent integration into the NN Non-life platforms. Athora and NN Group will ensure business continuity and will enter into transitional service agreements for the period until full integration of the VIVAT Non-life business into NN Group, during an expected migration period of 2 years. NN Group intends to integrate VIVAT Non-life operations into the NN Non-life platform to fully benefit from the combined scale and synergies.

In addition, NN Group will acquire the intercompany Tier 2 loans granted by VIVAT holding to VIVAT Non-life for EUR 150 million. The additional annual free cash flow contribution from interest payments is approximately EUR 10 million. This does not have an impact on the NN Group leverage ratio.



### Conditions and process

Completion of the acquisition by NN Group of the VIVAT Non-life business is subject to closing of the acquisition of VIVAT by Athora. In addition the acquisition of the VIVAT Non-life business from Athora is subject to customary closing conditions, including (i) antitrust clearance from the Authority for Consumers & Markets and (ii) declarations of no-objection from the Dutch Central Bank. Furthermore both the acquisition of VIVAT by Athora and the acquisition of VIVAT Non-life by NN Group are subject to consultation of the works council of VIVAT.

NN Group and Athora will seek to obtain all necessary approvals and antitrust clearances as soon as possible. Both transactions are anticipated to be completed in the first quarter of 2020 provided all conditions have been met.

### Employees

Following completion, VIVAT's Non-life activities will be integrated. In this process, NN Group will be committed to respecting the talents and experience of employees in both organisations, while applying a fair and transparent approach.

### Transaction advisors

In connection with the transaction, NN Group's financial advisor is BNP Paribas and its legal counsel is FreshfieldsBruckhaus Deringer.

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### Wires call

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### Press conference

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### Investor call

Lard Friese, Delfin Rueda and Jan-Hendrik Erasmus will host an analyst and investor conference call at 3.30 pm CET on Friday 7 June 2019. Members of the investment community can join the conference call at +31 20 531 5865 (NL), +44 203 365 3210 (UK), +1 866 349 6093 (US) or follow the webcast on [www.nn-group.com](http://www.nn-group.com).





### **NN Group profile**

NN Group is an international financial services company, active in 18 countries, with a strong presence in a number of European countries and Japan. With all its employees, the Group provides retirement services, pensions, insurance, investments and banking to approximately 17 million customers. NN Group includes Nationale-Nederlanden, NN, NN Investment Partners, ABN AMRO Insurance, Movir, AZL, BeFrank and OHRA. NN Group is listed on Euronext Amsterdam (NN).

### **Important legal information**

Elements of this press release contain or may contain information about NN Group N.V. within the meaning of Article 7(1) to (4) of EU Regulation No 596/ 2014 (*Market Abuse Regulation*).

All figures in this document are unaudited. Small differences are possible in the tables due to rounding. Certain of the statements contained herein are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation: (1) changes in general economic conditions, in particular economic conditions in NN Group's core markets, (2) changes in performance of financial markets, including developing markets, (3) consequences of a potential (partial) break-up of the euro or European Union countries leaving the European Union, (4) changes in the availability of, and costs associated with, sources of liquidity as well as conditions in the credit markets generally, (5) the frequency and severity of insured loss events, (6) changes affecting mortality and morbidity levels and trends, (7) changes affecting persistency levels, (8) changes affecting interest rate levels, (9) changes affecting currency exchange rates, (10) changes in investor, customer and policyholder behaviour, (11) changes in general competitive factors, (12) changes in laws and regulations and the interpretation and application thereof, (13) changes in the policies and actions of governments and/or regulatory authorities, (14) conclusions with regard to accounting assumptions and methodologies, (15) changes in ownership that could affect the future availability to NN Group of net operating loss, net capital and built-in loss carry forwards, (16) changes in credit and financial strength ratings, (17) NN Group's ability to achieve projected operational synergies, (18) catastrophes and terrorist-related events, (19) adverse developments in legal and other proceedings and (20) the other risks and uncertainties contained in recent public disclosures made by NN Group.

Any forward-looking statements made by or on behalf of NN Group speak only as of the date they are made, and, NN Group assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or for any other reason.

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