

Venerable to Double Size of Managed Business Through Transaction with Equitable Holdings

Transaction Includes Acquisition of Corporate Solutions Life Reinsurance Company and Reinsurance of Equitable's Legacy Variable Annuity Block

Equitable Holdings in Discussions to Acquire Equity Stake in Connection with Transaction



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Venerable Holdings, Inc. →

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WEST CHESTER, Pa., Oct. 27, 2020 /PRNewswire/ -- Venerable Holdings, Inc.

("Venerable") today announced a transaction with Equitable Holdings, Inc. (NYSE: EQH) ("Equitable Holdings") that will double Venerable's total assets. Venerable has entered into a definitive agreement to acquire Corporate Solutions Life Reinsurance Company ("Corporate Solutions Life Re"), a Delaware domiciled variable annuity reinsurance company, and will concurrently reinsure approximately \$12 billion of legacy variable annuity business from Equitable Financial Life Insurance Company ("Equitable"), a New York domiciled insurance company.

Corporate Solutions Life Re is authorized to operate in 45 states, including New York, and primarily reinsures third-party variable annuity guaranteed minimum death benefit (GMDB) and guaranteed minimum income benefit (GMIB) riders with approximately \$7 billion and \$2 billion of underlying account value respectively. Corporate Solutions Life Re has been in run-off since 2002, and all reinsurance treaties were closed to new business in 2004. At transaction close, Venerable plans to reposition all existing business into the Corporate Solutions Life Re entity. By repositioning the business into a single operating entity, Venerable expects to improve its liquidity position and enable several operating efficiencies.

David Marcinek, Chairman of Venerable, said, "This transaction represents a significant milestone for Venerable as we further establish ourselves as the partner of choice for insurers in the variable annuity space. Our conservative investment approach, strong capitalization, focus on operating efficiency and deep expertise in managing risk has positioned us for this transaction while successfully handling increased volatility and challenging market conditions. As we work to close this transaction, our team remains focused on building on this momentum and capitalizing on opportunities for further growth."

The reinsured variable annuity business, sold by Equitable between 2006 and 2008, is mature, stable and predictable. On a pro forma basis, the transaction will more than double Venerable's general account assets from \$11 billion to \$24 billion with reinsured business growing to over \$46 billion in separate account value.

"We are pleased to enter into this reinsurance transaction with Venerable, an organization with a risk management approach that is aligned with our own," said Mark Pearson, President and Chief Executive Officer of Equitable Holdings. "This landmark deal validates the significant value of our inforce portfolio and strengthens our ability to focus on value accretive businesses."

Patrick Lusk, Venerable's CEO, said, "Today's announcement is a testament to our performance and state-of-the-art scalable operating platform and confirms Venerable's long-term growth strategy. We are excited about the opportunities ahead and look forward to quickly realizing the benefits of this transaction."

Venerable's financial position will remain robust post-transaction with enough excess capital to support immediate future growth opportunities. Headquarters will remain in West Chester, Pennsylvania, with additional operations in Des Moines, Iowa. At the close of the transaction, a small dedicated team supporting Corporate Solutions Life Re will transition from Equitable to Venerable. Under the terms of the agreement, Venerable will retain AllianceBernstein L.P. as the preferred investment manager for the general account assets associated with this transaction. Voya Investment Management will continue to be the preferred asset manager for Venerable's existing book of business. Equitable Holdings is in discussions to acquire a 9.9% equity stake in Venerable's parent holding company, VA Capital Company LLC, including a board seat, subject to reaching agreement on the terms of the investment.

The transaction is expected to close in the second quarter of 2021, subject to the receipt of required regulatory approvals and other customary closing conditions.

Barclays is serving as financial advisor, and Sidley Austin LLP is serving as legal counsel to Venerable in connection with this transaction.

About Venerable

Venerable is a privately held company with business operations based in West Chester, Pennsylvania and Des Moines, Iowa. Venerable owns and manages legacy variable annuity business acquired from other entities. Created by an investor group led by affiliates of Apollo Global Management, LLC, Crestview Partners, Reverence Capital Partners, and Athene Holdings, Ltd., Venerable is a business with

well-established, strategic investors, experienced in successfully building and growing insurance businesses with patient, long-term capital. For more information, please visit www.venerable.com.

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