

# Press release

## a.s.r. acquires Loyalis

Utrecht, 4 December 2018, 08.00 CET

**ASR Nederland N.V. (a.s.r.) and APG Groep N.V. (APG) have agreed that a.s.r. will acquire insurer Loyalis N.V. from APG. With this acquisition, a.s.r. broadens and strengthens its market position in the field of disability insurance and enforces its leading role as a provider of overall solutions for sustainable employability. The acquisition price amounts to € 450 million.**

Loyalis was founded in 2002 and employs circa 300 FTEs. The Heerlen based insurer offers disability insurance, survivors' insurance and supplementary pensions for employers, employees and self-employed persons. Loyalis has approximately 450,000 insured persons at around 10,000 employers and with group insurance policies is well-positioned with medium-sized and large companies in education, construction, healthcare and the government. The company also offers services in the field of prevention, vitality, absenteeism and reintegration.

Loyalis is part of pensions administrator APG. In 2017, the insurer generated a premium income of € 267 million and a net result of € 71 million<sup>1</sup>. The solvency ratios for Loyalis Life and Loyalis Non-Life were 175% and 172%, respectively at the end of 2017. As at year-end 2017, Loyalis' equity amounted to € 437 million and the assets under management were € 3.1 billion.

Jos Baeten, CEO a.s.r.: 'This acquisition is in the core of our strategy. a.s.r. plays a leading role in the field of disability insurance with the De Amersfoortse brand, with a focus on sustainable employability. The acquisition of the complementary portfolio of Loyalis strengthens a.s.r.'s market position and offers us opportunities to grow further in new segments. I would like to extend a warm welcome to the Loyalis colleagues. We believe it is important to continue the commercial cooperation with APG in the field of disability insurance and sustainable employability for many years to come. We will continue to do so with the Loyalis brand and from Heerlen. The life and pensions activities of Loyalis are expected to be integrated into a.s.r. in 2020. Loyalis' customers can be confident that the service and solid business operations will continue unabated.'

The transaction meets the strict financial criteria a.s.r. sets for acquisitions. With the acquisition, a.s.r. further expands its leading position in disability insurance and expects to realise economies of scale and capital benefits.

The main elements of the transaction are as follows:

- The acquisition price amounts to € 450 million and will be financed by a.s.r. with a short-term loan.
- The estimated standalone run rate of the net operating earnings is approximately € 30 million, based on a.s.r. accounting standards.

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<sup>1</sup> On Loyalis accounting basis.

- Taking into account cost synergies, Loyalis' contribution to the net operating result is expected to exceed € 40 million in 2022. Measured against the net operating result of a.s.r. in 2017, the contribution to the results represent an increase of over 8% of the operating earnings per share.
- The expected organic capital creation will contribute circa € 35 million in 2022.
- The initial impact of the acquisition on a.s.r.'s solvency is expected to be approximately -9%-point.
- The acquisition meets the return criteria that a.s.r. applies for acquisitions; the expected return on investment on this transaction is >12%.
- The Loyalis name and brand will continue to exist.
- The office of Loyalis will remain located in Heerlen. From there, Loyalis will continue to operate its disability business and continue its cooperation with APG for the purpose of knowledge sharing, product development and customer service.
- The life/pensions activities of Loyalis are expected to be integrated into those of a.s.r. in 2020.
- Together with APG, a.s.r. has the intention to reduce the possible loss of jobs to a minimum within the activities in Heerlen and by filling in vacancies at a.s.r. and APG.
- Closing of the acquisition is expected to take place in the first half of 2019.

The takeover is subject to the approval of De Nederlandsche Bank and the Dutch Consumer & Market Authority and completion of the advice procedure with the works council of APG. The works council of a.s.r. has already issued a positive advice on the takeover.

**Conference call for financial market participants (in English) at 10.00 a.m. CET. For more information, please visit [www.asrnl.com](http://www.asrnl.com).**

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#### **About ASR Nederland N.V.**

ASR Nederland N.V. (a.s.r.) ASR Nederland N.V. (a.s.r.) has been in the insurance business since 1720. It is one of the top three insurance companies in the Netherlands. Through its labels a.s.r., De Amersfoortse, Ditzo, Ardanta and Europeesche Verzekeringen, a.s.r. offers insurance, pension and banking products and services to consumers and SMEs. a.s.r. is also active as a fiduciary asset manager, particularly in the public sector. a.s.r. was listed on Euronext Amsterdam in June 2016 and has been included in the AEX index since 19 March 2018. For more information, please visit [www.asrnl.com](http://www.asrnl.com).

This press release contains price-sensitive information and therefore inside information within the meaning of Article 7 of the Market Abuse Regulation.

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