

# LV= and Allianz joint venture

Analyst presentation

4 August 2017



# Introductions



***Richard Rowney***  
*Chief Executive Officer*



***Andy Parsons***  
*Group Finance Director*



# Creation of a long term enduring joint venture and strategic partnership



Liverpool Victoria General  
Insurance Group



▶ Strong UK brand

◀ Financial Strength

▶ Award winning customer service

◀ Digital & data analytics expertise

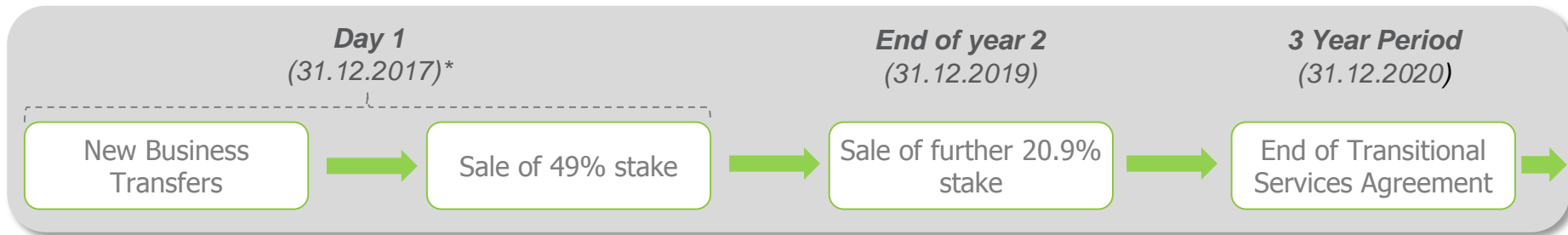
▶ Personal home and motor insurance expertise

◀ Pricing, underwriting and claims experience

- ✓ UK's third largest personal insurer
- ✓ Around six million policies and gross written premiums of £1.7bn
- ✓ Well positioned to benefit from future market disruption



# Transaction overview

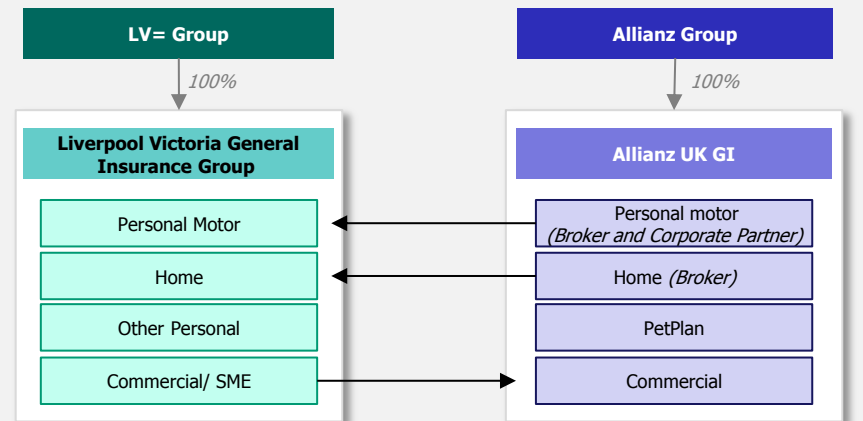


## Core transaction

- Day 1 proceeds for LVFS of £500m for 49% stake
  - Valuing the business at £1,020m
  - End of year 2 proceeds for further 20.9% of £213m
- LVFS will retain control of the JV until the 2<sup>nd</sup> stage
- LVFS will provide support services to the JV for three years
- The JV will trade under the **LV=** brand
  - Including the additional Allianz personal lines
- Allianz obtaining LV= GI's commercial insurer's renewal rights
- Transaction completion date targeted for 31 December 2017
- Subject to regulatory approvals

## New business transfers

- Renewal rights transactions designed to ensure the new JV and Allianz are not in competition
- LVGIG to focus on personal lines business
- Transfers phased to minimise disruption, starting from Q2 2018



\* Transaction date subject to receipt of regulatory approval

# Benefits for the LV= Group

## Now

- ✓ Opportunity to realise some of the value we've generated in the GI business for the long term benefit of our business and its members
- ✓ Strengthened LVFS capital position
- ✓ S&P engaged to re-affirm ratings
- ✓ LVFS expect to remain on Solvency II Standard Formula at year end 2017
- ✓ 3 year transitional services arrangement to allow for phased migration of services to Allianz Group minimising impacts on staff and Group wide arrangements

## Future

- ✓ Strategy for our Life and Pensions business remains unchanged
- ✓ Allianz are not looking to enter the UK Life and Pensions market
- ✓ Proceeds will be used to:
  - Strengthen our capital position
  - Support growth in our core Life and Pensions business
  - Pursue new digital opportunities
- ✓ We will be looking at opportunities to develop broader joint propositions in both the GI and Life markets...
- ✓ ...and investigating the benefits of utilising Allianz's reinsurance and investment capabilities



# Key contacts

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