

LV= agrees sale of remaining shareholding in LV=GI to Allianz

31 May 2019

Liverpool Victoria Friendly Society (LV=) has today agreed to sell its residual 30.1 percent stake in LV= General Insurance (LV=GI) to Allianz Group for up to £365 million.

The sale marks LV='s withdrawal from its General Insurance partnership with Allianz, and following completion Allianz will own 100% of LV=GI for a total consideration of up to £1.078 billion.

In December 2017, Allianz acquired an initial 49 percent stake in LV=GI for £500 million with a second stage of the transaction taking place at the end of 2019 where Allianz will pay £213 million for a further 20.9 percent stake through an agreed, forward purchase.

As part of the transaction, LV= also had a put option under which it could sell all or part of its remaining shares to Allianz. It has now decided to exercise this option and will receive up to £365 million for its minority 30.1 percent stake.

The transaction will close on 31 December 2019 and following completion Alan Cook, Richard Rowney, David Neave and David Barral will step down from the board of LV=GI. All four will remain on the board of LV=. LV= will retain the right to dividends from the 2019 LV=GI financial results and will continue to licence its brand to the General Insurance business.

Richard Rowney, LV= Group Chief Executive, said, "We have successfully grown the value of our General Insurance business to in excess of £1 billion and this deal enables us to realise that value for the long-term benefit of our members as well as strengthening our overall capital position.

"We have recently announced plans to convert to a company limited by guarantee which will provide greater flexibility and freedom to compete over the medium to long term as we continue to build on our heritage and strong brand to create a better mutual for the future, where being a member has more meaningful benefits."