

For immediate release: 30th May 2007

LV= ANNOUNCES OPTION AGREEMENT TO ACQUIRE NEW BUSINESS OPERATIONS OF THE FORMER GE LIFE FROM SWISS RE

LV= (formerly known as Liverpool Victoria) has announced today that it has entered into an option agreement to acquire from Swiss Re the new business operations of Tomorrow (formerly the GE Life business). The option becomes exercisable in late December 2007, subject to regulatory approval.

The UK's largest friendly society, LV= has also entered into a distribution agreement under which Tomorrow's range of specialist enhanced annuities, equity release lifetime mortgages, and pension products including SIPPs, will be distributed under joint LV= and Tomorrow branding from 1 July 2007.

Following a comprehensive strategic review, LV= identified 'flexible retirement' products as an attractive market segment for growth. The Tomorrow business is a good fit with the friendly society's strategy and complements its existing strength in protection and with-profits products. Tomorrow is one of the UK's leading providers of flexible retirement solutions, selling £785m of new single premium business in 2006.

The key features of the proposed transaction, all of which are conditional upon the exercise of the option, are:

- LV= has obtained an option to acquire Tomorrow's new business capability, exercisable in late December 2007.
- Under a distribution agreement, from 1 July 2007 all products which are currently actively marketed by Tomorrow would be co-branded with LV=.
- From 1 January 2008 LV= would integrate Tomorrow's new business operation and offer the former Tomorrow products under the LV= brand.
- LV= would retain Tomorrow's new business operations in Hitchin and its regional sales offices. Hitchin would be developed as the core centre of expertise for the LV= flexible retirement offering.

- LV= would retain the capabilities, experience and distribution relationships of the Tomorrow new business management, sales force and employees, who it believes will be crucial to the future success of the business.

Commenting on the acquisition, Mike Rogers, Group Chief Executive of LV= said: “The proposed acquisition of the new business capability of Tomorrow will give us a strong market presence in three flexible retirement product sectors, with an established and well-regarded IFA distribution network. This proposed acquisition is in line with our strategic vision to expand our proposition into the ‘flexible retirement’ market, it transforms the growth prospects for our life business, and should create substantial value for our members.”

Jonathan Yates, Managing Director of Swiss Re’s UK Admin Re® operation, who was responsible for overseeing Swiss Re’s purchase of Tomorrow from the GE group, added: “We are delighted to be entering into this option agreement. LV= will invest in the people and products required to grow these lines of business. This agreement honours the commitment we made to the market, employees and customers to maintain this business as a going concern.”

Swiss Re completed the acquisition of the Tomorrow business on 14 December 2006. Tomorrow is recognised as a leading UK provider of specialist flexible retirement products, which are distributed entirely through the independent financial adviser sector.

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Swiss Re

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Notes to editors

LV=

LV= is a trademark of Liverpool Victoria Friendly Society Limited (LVFS) and a trading style of the Liverpool Victoria group of companies. The new LV= brand identity was launched in March 2007.

LV= employs over 2,000 people, serves more than 2.5 million customers and members, and manages more than £8 billion on their behalf. We are also the UK's largest friendly society and a leading mutual financial services provider.

LVFS is authorised and regulated by the Financial Services Authority and entered on the Financial Services Authority Register No. 110035. LVFS is a member of the ABI, AMI, AFS and ILAG. Registered address: County Gates, Bournemouth BH1 2NF.

www.liverpoolvictoria.co.uk

Tomorrow

Tomorrow is the new trading name of the business operations of the former GE Life Group together with its subsidiaries which formed the "GE Life" business of General Electric Company ("GE") in the UK.

Tomorrow provides a complementary range of specialist retirement products in the UK market, distributed entirely through the independent financial adviser sector.

www.tomorrow.co.uk

Swiss Re

Swiss Re is the world's leading and most diversified global reinsurer. The company operates through offices in more than 25 countries. Founded in Zurich, Switzerland, in 1863, Swiss Re offers financial services products that enable risk-taking essential to enterprise and progress. The company's traditional reinsurance products and related services for property and casualty, as well as the life and health business are complemented by insurance-based corporate finance solutions and supplementary services for comprehensive risk management. Swiss Re is rated "AA-" by Standard & Poor's, "Aa2" by Moody's and "A+" by A.M. Best.

Through the purchase of GE Life in 2006, Swiss Re acquired around 400,000 in-force policies with total assets of approximately £8 billion. Under Swiss Re's ownership, a range of product lines remained open to new business, aimed at people at or near retirement age. Sold via independent financial advisers under the Tomorrow brand, these products include specialist enhanced annuities, pensions and equity release lifetime mortgages.

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