



## Legal & General to sell its General Insurance business to Allianz

---

Legal & General Group Plc ("Legal & General") announces that it has agreed to sell its General Insurance ("GI") business to Allianz Holdings plc. The proposed transaction, which is subject to customary regulatory approvals, is expected to complete in the second half of 2019.

The financial consideration from the proposed sale consists of a base price of £242 million payable at completion and potential further payments over a three year period from ongoing commercial arrangements. The base price is commensurate with IFRS book value. The Group's Solvency II ratio is expected to increase by approximately 2% following completion of the transaction. The proceeds from the disposal will be reinvested in Legal & General's attractive and growing core businesses.

The GI business being sold comprises principally retail customers who hold household insurance policies. In 2018 gross written premiums were £410 million and operating profit was nil.

Legal & General is confident that selling the GI business to one of the world's largest property and casualty insurers will mean that customers can trust they are in safe hands.

The sale by Legal & General of the GI business is the latest in a successful programme of disposals in recent years across the Group's non-core businesses, including its historic savings businesses (Mature Savings, Cofunds, Suffolk Life and its international savings businesses in Ireland, Egypt and Germany), its international insurance businesses in the Netherlands, France and India, and various other non-core businesses. These disposals have generated proceeds in excess of £1.5 billion.

### **Nigel Wilson, CEO of Legal & General said:**

"Selling the General Insurance business is the right decision for our customers and shareholders. And I would like to take this opportunity to thank our GI colleagues for their contribution to Legal & General.

We continue to focus on delivering against our strategy, allocating shareholders' capital rigorously. We are market leaders in ten UK markets and have a growing presence in the USA and an emerging presence in Asia. Deploying capital in these businesses will deliver better outcomes for all our stakeholders. Our GI customers will benefit from the strength and capability of Allianz in the household insurance sector."

### **Jon Dye, CEO of Allianz UK said:**

"This is a good outcome for all the parties involved and acquiring a high quality business with 2 million customers to combine with the LV= General Insurance business is a strong result. The Allianz Group has worldwide insurance experience, is robustly capitalised and has a strong reputation for customer service and these strengths will be applied to grow the business."

## Notes to editors

### General Insurance

Based in Birmingham, Legal & General's General Insurance (GI) Division provides home and contents insurance to UK customers.

In 2018, GI's Gross Written Premiums were £410 million, an increase of 11% over 2017. GI distributes its products through a variety of commercial partners and also through direct sales and has developed a number of digital or Insurtech solutions including Smartquote and Smartclaim. This strength in technology contributed towards it being named Home Insurance Provider of the Year at the 2018 Consumer Moneyfacts Awards, while Smartclaim also won the Insurance Times Technology Solution of the Year Award last year.

### Legal & General Group Plc

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with international businesses in the US, Europe, Middle East and Asia. With over £1 trillion in total assets under management, we are the UK's largest investment manager for corporate pension schemes and a UK market leader in pension risk transfer, life insurance, workplace pensions and retirement income.

Legal & General has a market capitalisation of £15.5 billion (as at 30 May 2019) and is responsible for investing £1,015 billion worldwide (as at 31 December 2018) on behalf of investors, policyholders and shareholders. In 2018 operating profit was £2,335 million, earnings per share was 31.87 pence, and dividend per share was 16.42 pence. Each of these financial metrics has grown at greater than 10% per annum since 2011.

### Allianz

The Allianz Group is one of the world's leading insurers and asset managers with more than 92 million retail and corporate customers. Allianz customers benefit from a broad range of personal and corporate insurance services, ranging from property, life and health insurance to assistance services to credit insurance and global business insurance. Allianz is one of the world's largest investors, managing around 708 billion euros on behalf of its insurance customers. Furthermore our asset managers PIMCO and Allianz Global Investors manage more than 1.5 trillion euros of third-party assets. Thanks to our systematic integration of ecological and social criteria in our business processes and investment decisions, we hold the leading position for insurers in the Dow Jones Sustainability Index. In 2018, over 142,000 employees in more than 80 countries achieved total revenues of 132 billion euros and an operating profit of 11.5 billion euros for the group.

### Forward-looking statements

This announcement may contain certain forward-looking statements relating to Legal & General, its plans and its current goals and expectations relating to future financial condition, performance and results. By their nature, forward-looking statements involve uncertainty because they relate to future events and circumstances which are beyond Legal & General's control, including, among others, UK domestic and global economic and business conditions, market-related risks such as fluctuations in interest rates and exchange rates, the policies and actions of regulatory and Governmental authorities, the impact of competition, the timing impact of these events and other uncertainties of future acquisitions or combinations within relevant industries. As a result, Legal & General's actual future condition, performance and results may differ materially from the plans, goals and expectations set out in these forward-looking statements and persons reading this announcement should not place reliance on forward-looking statements. These forward-looking statements are made only as at the date on which such statements are made and Legal & General Group Plc does not undertake to update forward-looking statements contained in this announcement or any other forward-looking statement it may make.

### Further information

#### Investors

|                 |                                |                     |
|-----------------|--------------------------------|---------------------|
| Edward Houghton | Head of Investor Relations     | +44 (0)20 3124 2091 |
| Alyssa Manning  | Investor Relations Director    | +44 (0)20 3124 2047 |
| Sujee Rajah     | US Investor Relations Director | +1 312 964 3034     |

#### Media

|               |                            |                     |
|---------------|----------------------------|---------------------|
| John Godfrey  | Corporate Affairs Director | +44 (0)20 3124 2090 |
| Graeme Wilson | Tulchan Communications     | +44 (0)20 7353 4200 |