Company number: 02338444

Legal & General Finance PLC Interim report for the six months ended 30 June 2026

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Directors' report

The directors present their Directors' report on Legal & General Finance PLC (the 'Company') for the six months ended 30 June 2026.

Principal activities

Legal & General Finance PLC is a public limited company incorporated in England and Wales, whose ultimate controlling party is Legal & General Group Plc (the 'Group'). The Company's registered office is at One Coleman Street, London, EC2R 5AA, United Kingdom. It is registered in England and Wales under company registration number 02338444 and domiciled in the United Kingdom. The principal activity of the Company throughout the year was to operate as a finance company.

The Company's prime objective is to provide funding to the Group and its global subsidiaries (the 'L&G Group'), by raising funds from debt and capital markets and investing in liquid assets. In fulfilling this role, the Company issues listed debt through the Group's £7bn Euro Medium Term Note Programme and the Company's US $2bn Euro Commercial Paper Programme. All of the Company's issued listed debt under these programmes is guaranteed by the Group.

Key performance indicators

The directors review a range of performance indicators to monitor the performance of the Company. Profit before income tax, total assets and net assets are regarded as the principal key performance indicators.

Profit before tax of the Company decreased to £31.3m (HY 25: £37.7m; FY 25: £73.4m) mainly reflecting lower income from loans to other group companies, partially offset by an increase in investment return. Total assets as at 30 June 2026 were £6,097.8m (HY 25: £4,205.2m; FY 25: £4,869.8m) and net assets were £208.3m (HY 25: £158.2m; FY 25: £184.8m).

Post balance sheet events

On 10 July 2026, the Company received proceeds of £202m in settlement of an amount owed by Legal & General Group Plc. The proceeds were used to complete a tender offer to repurchase £200m of its £600m senior unsecured sterling medium term notes. There were no other adjusting or non-adjusting post balance sheet events between 30 June 2026 and the approval of this interim report.

Principal risks and uncertainties

The Company's business involves the acceptance and management of risk. The principal risks and uncertainties facing the Company are given below. These uncertainties are unchanged from the year ended 31 December 2025 and are explained in detail in note 17 of the Company's Annual Accounts for the year ended 31 December 2025.

a) Market risk

The Company is exposed to fluctuations in exchange rates which may impact income from, or the value of, assets denominated in foreign currencies. Interest rate movements can affect profits as well as potentially impacting investment and fund raising activities. The global economy remains exposed to external shocks, which continue to pose risks to stability, fiscal policy and financial market performance. Central bank interest rates have been kept mostly flat over 2026, however there remains uncertainty around the need for increases to combat inflationary pressures. Asset values remain vulnerable to downward reappraisal, stemming from heightened macroeconomic and geopolitical risk. The Company may use derivative instruments to limit exposure to market risks, as deemed necessary.

b) Market infrastructure risk

The Company's investment and fund raising activities are reliant upon the availability of market infrastructure. Disruption to trading in markets may have a significant effect on the Company's operation and profitability.

c) Credit risk

A number of major banks operate as counterparties for the investments of the Company. Whilst the Company ensures that it only transacts with strongly rated counterparties, and it regularly reviews its level of exposure, the financial failure of a significant counterparty could result in disruption and financial loss.

d) Liquidity risk

The risk that the Company, though solvent, either does not have sufficient liquid financial resources available to enable it to meet its obligations as they fall due, or can only secure them only at an excessive borrowing cost. This risk can arise from adverse market conditions or an unexpected event that causes liquidity stress in other entities within the Group.

e) Climate risk

The Company is exposed to climate risk through the move to a low-carbon economy and the impact this has on asset valuation and the economy.

Modern slavery

The L&G Group recognise that companies have an obligation to ensure that their business and supporting supply chains are slavery free. Legal & General's full Modern slavery statement can be found at group.legalandgeneral.com/Modernslaverystatement2025.

Statement of Directors' responsibilities

The directors confirm that these condensed interim financial statements have been prepared in accordance with UK-adopted International Accounting Standard 34 'Interim Financial Reporting', as issued by the IASB and that the Directors' report contains a true and fair review of the assets, liabilities, and financial position of the Company. The report also includes a fair review of the information required by Disclosure Guidance and Transparency Rules (DTR) 4.2.7, namely an indication of important events that have occurred during the first six months of the year 2026 and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year.

By Order of the Board

DocuSigned by:
Leanne Cornish
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L. Cornish
For and on behalf of Legal & General Co Sec Limited
Company Secretary
03 August 2026

Company number: 02338444

Statement of Comprehensive Income

For the six month period to 30 June 2026

	6 months 2026	6 months 2025	Full year 2025
	£m	£m	£m
Finance income			
Income from loans to Group undertakings	**74.8**	99.1	206.4
Investment return	**73.9**	34.3	62.2
Total finance income	**148.7**	133.4	268.6
Finance costs			
Interest paid to Group undertakings	**(96.4)**	(73.7)	(153.0)
Other finance costs	**(18.8)**	(19.4)	(37.8)
Total finance costs	**(115.2)**	(93.1)	(190.8)
Administrative expenses	**(2.2)**	(2.6)	(4.4)
Profit before tax	**31.3**	37.7	73.4
Tax expense	**(7.8)**	(9.5)	(18.6)
Profit and total comprehensive income for the financial period/year	**23.5**	28.2	54.8

There were no gains or losses in the period other than those included in the above Statement of Comprehensive Income.

The accompanying notes on pages 6 to 8 form part of these financial statements.

Company number: 02338444

Balance Sheet

As at 30 June 2026

	Notes	**As at 30 June 2026 £m**	As at 30 June 2025 £m	As at 31 December 2025 £m
Non-current assets				
Financial investments	3	**601.2**	601.2	601.2
Receivables	2	**1,419.6**	1,892.3	1,419.4
Current assets				
Financial investments	3	**2,510.2**	1,188.8	1,397.0
Receivables	2	**1,522.9**	494.6	1,423.6
Cash and cash equivalents		**43.9**	28.3	28.6
Total assets		**6,097.8**	4,205.2	4,869.8
Non-current liabilities				
Borrowings	4	**598.8**	598.7	598.7
Payables	6	**1,776.6**	1,762.1	1,248.0
Current liabilities				
Borrowings	4	**54.3**	54.3	60.5
Financial liabilities	5	**2.8**	134.5	110.9
Payables	6	**3,457.0**	1,497.4	2,666.9
Total liabilities		**5,889.5**	4,047.0	4,685.0
Net assets		**208.3**	158.2	184.8
Equity				
Share capital		**–**	–	–
Retained earnings and capital contributions		**208.3**	158.2	184.8
Total shareholders' equity		**208.3**	158.2	184.8

The notes on pages 6 to 8 form an integral part of these financial statements.

The financial statements on pages 3 to 8 were approved by the Board of directors on 03 August 2026 and were signed on their behalf by:

Signed by:

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C. Wright
Director

Statement of Changes in Equity

For the six month period to 30 June 2026

For the six month period to 30 June 2026	Called up share capital £m	Retained earnings and capital contributions £m	Total equity £m
As at 1 January 2026	**–**	**184.8**	**184.8**
Total comprehensive income for the six months period	**–**	**23.5**	**23.5**
As at 30 June 2026	**–**	**208.3**	**208.3**

For the six month period to 30 June 2025	Called up share capital £m	Retained earnings and capital contributions £m	Total equity £m
As at 1 January 2025	–	130.0	130.0
Total comprehensive income for the six months period	–	28.2	28.2
As at 30 June 2025	–	158.2	158.2

For the year ended 31 December 2025	Called up share capital £m	Retained earnings and capital contributions £m	Total equity £m
As at 1 January 2025	–	130.0	130.0
Total comprehensive income for the year	–	54.8	54.8
As at 31 December 2025	–	184.8	184.8

The accompanying notes on pages 6 to 8 form an integral part of these financial statements.

Notes to the Financial Statements

1 Basis of preparation and accounting policies

1.1 Basis of preparation

The Company's financial information for the six months ended 30 June 2026 has been prepared in accordance with the Disclosure and Transparency Rules for the United Kingdom's Financial Conduct Authority and with IAS 34, 'Interim Financial Reporting'. The material accounting policies applied are consistent with those disclosed in the 2025 financial statements of the Company.

The financial information contained in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The financial information for the six months ended 30 June 2025 and 30 June 2026 has not been audited or reviewed by the Company's auditor. The figures and financial information for the year ended 31 December 2025 are an extract from the latest published audited financial statements. Those accounts have been delivered to the Registrar of Companies and include the report from the auditor, which was unqualified and did not contain a statement under either Section 498(2) or 498(3) of the Companies Act 2006.

1.2 Going concern

As the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, the Company continues to adopt the going concern basis in preparing its financial statements.

The directors have made an assessment of the Company's going concern, considering both the current performance of the Company and the Company and Group's outlook for a period of at least, but not limited to, 12 months from the date of approval of these financial statements, using the information available up to the date of issue of the Company's financial statements.

At the balance sheet date, the Company was in a net current asset position and the directors consider that the Company's current net assets are sufficient to meet its current liabilities as they fall due.

In the extreme event that all current liabilities became due and undrawn commitments are fully drawn, actions can be put in place to enable the Company to meet those commitments, such as drawing upon funding from Legal & General Group Plc. Legal & General Group Plc existing and past practice indicates an intent to continue to make available such funds as are needed by the Company during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

2 Receivables

	30 June 2026	30 June 2025	31 December 2025
	£m	£m	£m
Amounts owed by Group undertakings	**2,944.9**	2,389.6	2,845.5
Allowance for expected credit loss	**(2.4)**	(2.7)	(2.5)
Total amounts owed by Group undertakings	**2,942.5**	2,386.9	2,843.0

None of the receivables above are past due and £(0.1)m of expected credit losses has been recognised in the year (HY 25: £0.3m; FY 25: £0.04m).

3 Financial investments, current

All of the financial investments classified as current assets are measured at fair value through profit or loss, including derivative assets which are held for trading.

3.1 Financial investments at fair value

The fair values of quoted financial investments are based on current bid prices. If the market for a financial investment is not active, the Company establishes fair value by using valuation techniques such as recent arm's length transactions, consensus market pricing, reference to similar listed investments or discounted cash flow models.

	30 June 2026	30 June 2025	31 December 2025
	£m	£m	£m
Financial investments at fair value:			
Managed funds	**2,499.6**	1,110.7	1,333.8
Derivative assets	**0.6**	68.1	53.2
Reverse repurchase agreements	**10.0**	10.0	10.0
Total financial investments at fair value	**2,510.2**	1,188.8	1,397.0

None of the financial investments above are past due or impaired. The managed funds investments are holdings in Legal & General Investment Management Limited managed funds which invest solely in cash, cash equivalents and debt securities.

3 Financial investments, current (continued)

3.2 Financial investments by hierarchy levels

Fair value measurements are based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's view of market assumptions in the absence of observable market information. The Company utilises techniques that maximise the use of observable inputs and minimise the use of unobservable inputs.

The table that follows presents an analysis of the investments held at fair value in accordance with the measurement technique, defined below:

As at 30 June 2026	Carrying value £m	Level 1 £m	Level 2 £m	Level 3 £m
Managed funds	**2,499.6**	**2,499.6**	**–**	**–**
Derivative assets	**0.6**	**–**	**0.6**	**–**
Reverse repurchase agreements	**10.0**	**–**	**10.0**	**–**
Total financial investments	**2,510.2**	**2,499.6**	**10.6**	**–**

Level 1: fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: fair values measured using valuation techniques for all inputs significant to the measurement other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: fair values measured using valuation techniques for any input for the asset or liability significant to the measurement that is not based on observable market data (unobservable inputs).

All of the Level 2 investments have been valued using either standard market pricing sources or observable market prices.

The Company's policy is to re-assess the categorisation of financial investments at the end of each year and to recognise transfers between levels at that point in time.

There were no transfers between levels during the period.

As at 30 June 2025	Carrying value £m	Level 1 £m	Level 2 £m	Level 3 £m
Managed funds	1,110.7	1,110.7	–	–
Derivative assets	68.1	–	68.1	–
Reverse repurchase agreements	10.0	–	10.0	–
Total financial investments	1,188.8	1,110.7	78.1	–

As at 31 December 2025	Carrying value £m	Level 1 £m	Level 2 £m	Level 3 £m
Managed funds	1,333.8	1,333.8	–	–
Derivative assets	53.2	–	53.2	–
Reverse repurchase agreements	10.0	–	10.0	–
Total financial investments	1,397.0	1,333.8	63.2	–

4 Borrowings

	Carrying Amount 30 June 2026 £m	Weighted average coupon Carrying amount 30 June 2026 %	Fair value 30 June 2026 £m
Core borrowings			
Sterling medium term notes 2031 - 2041	**598.8**	**5.87**	**632.9**
Operational borrowings			
Euro commercial paper	**49.8**	**3.94**	**49.8**
Total borrowings[1]	**648.6**		**682.7**

1. Total borrowings excludes accrued interest of £4.5m (HY 25: £4.5m; FY 25: £10.7m) on sterling medium term notes.

4 Borrowings (continued)

	Carrying Amount 30 June 2025 £m	Weighted average coupon Carrying amount 30 June 2025 %	Fair value 30 June 2025 £m
Core borrowings			
Sterling medium term notes 2031 - 2041	598.7	5.87	640.9
Operational borrowings			
Euro commercial paper	49.8	4.59	49.8
Total borrowings[1]	648.5		690.7

	Carrying Amount 31 December 2025 £m	Weighted average coupon Carrying amount 31 December 2025 %	Fair value 31 December 2025 £m
Core borrowings			
Sterling medium term notes 2031 - 2041	598.7	5.87	634.8
Operational borrowings			
Euro commercial paper	49.8	4.42	49.8
Total borrowings[1]	648.5		684.6

1. Total borrowings excludes accrued interest of £4.5m (HY 25: £4.5m; FY 25: £10.7m) on sterling medium term notes.

Between 2000 and 2002, the Company issued £600m of senior unsecured sterling medium term notes at coupons between 5.75% and 5.875%. These notes have various maturity dates between 2031 and 2041. The fair value of the Company's core borrowings (excluding accrued interest) includes £580.5m (HY 25: £591.7m; FY 25: £585.2m) that reflects quoted prices in active markets which have been classified as Level 1 in the fair value hierarchy. The remaining fair value of core borrowings is derived using prices from an external, publicly available pricing model by a standard market pricing source and have been classified as Level 2 in the fair value hierarchy. The inputs for this model include a range of factors which are deemed to be observable, including current market prices for comparative instruments, period to maturity and yield curves. On 10 July 2026, Legal & General Group Plc completed a tender offer, under which the Company redeemed £200m of these notes.

The fair value of the operational borrowings is derived using observable market information and have been classified as level 2 in the fair value hierarchy.

5 Financial liabilities

	30 June 2026 **£m**	30 June 2025 £m	31 December 2025 £m
Collateral received	**2.2**	66.1	57.2
Derivative liabilities	**0.6**	68.4	53.7
Total financial liabilities	**2.8**	134.5	110.9

Derivative liabilities are held for trading and measured at fair value through profit or loss. Derivative liabilities are classified as level 2 in the fair value hierarchy. All other financial liabilities are held at amortised cost.

6 Payables

	30 June 2026 **£m**	30 June 2025 £m	31 December 2025 £m
Amounts owed to Group undertakings	**5,225.7**	3,249.8	3,896.3
Other payables	**0.1**	0.1	–
Corporate tax payable	**7.8**	9.6	18.6
Total payables	**5,233.6**	3,259.5	3,914.9

7 Post balance sheet events

On 10 July 2026, the Company received proceeds of £202m in settlement of an amount owed by Legal & General Group Plc. The proceeds were used to complete a tender offer to repurchase £200m of its £600m senior unsecured sterling medium term notes. There were no other adjusting or non-adjusting post balance sheet events between 30 June 2026 and the approval of this interim report.