

Regulatory News Service

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Legal & General Group plc
13 June 2017

LEGAL & GENERAL CAPITAL MARKETS EVENT

Legal & General Group Plc ("L&G") will host an event for investors and analysts on Tuesday 13 June at 1 Coleman St, London, EC2R 5AA. The event starts at 9.30am, and will be focused on the management of L&G's credit portfolio including how it performs in stress scenarios. No material new information will be disclosed.

Legal & General Investment Management (LGIM), with AUM of £894bn at the 2016 year end, is responsible for managing the £54bn Legal & General Retirement (LGR) asset portfolio, which comprises the significant majority of Legal & General's credit exposures, is well diversified and has strong credit quality. The portfolio consists of approximately £12.4bn of sovereign investments, £8.1bn of direct investments and £33.5bn of other credit investments with 69% of the £49.5bn bond portfolio invested in A rated or better credit and 29% is rated BBB. Legal & General holds a credit default reserve of c.£2.7bn as of 31 December 2016

The presentation by Jeff Davies, Group CFO, Kerrigan Procter, LGR CEO, and Simon Gadd, Group CRO, will cover:

- How the credit default reserve is calculated
- Our approach to management of the credit portfolio
- How our business is expected to perform under various credit scenarios
- How our risk management processes work

Jeff Davies, Group CFO, said: "Managing credit risk is at the core of the skillsets of the Legal & General Group. We have managed a high performing global portfolio of c.£50bn with just £26m of defaults between 2007 and 2016. Today's presentation shows the portfolio is robust in a 2001/2002 adverse default and downgrade scenario, which was more extreme than the credit crisis experience in 2008. Our risk management approach and strong default reserves give us a confidence which is borne out by the scenario testing we are presenting today."

Business Performance

Legal & General has had a strong start in the year to date.

- LGR has completed over £1bn of bulk annuity sales and the market pipeline for UK bulk deals remains strong at over £12bn. LGR's Retail Customer division has achieved over £300m of sales in individual annuities, up 120% on last year and over £360m of lifetime mortgages, up 90% on last year.¹
- LGIM now has assets under management of over £950bn having experienced £16.8bn net inflows.²
- Legal & General Capital (LGC) has completed, or exchanged contracts for, disposals which will generate proceeds of c.£150m, remaining on track to meet its full year disposal target of c.£250m. Meanwhile LGC has invested or committed £138m in infrastructure investments including build to rent housing and urban regeneration projects.²
- Legal & General Insurance's (LGI) UK Retail Protection premiums are up 5% and LGI US has paid a dividend of \$100m, up 10% on last year.²

Financial Strength

As at 15 May 2017, L&G had an estimated Solvency II surplus of £7.0bn with a 188% coverage ratio, on a shareholder basis. The payment of the 2016 final dividend will reduce the coverage ratio by 7.7% (as stated in our press release on 19 May 2017). S&P credit rating is AA-, S&P's assessment of L&G's 'Management and Governance' was upgraded to strong in 2016. Moody's rating is Aa3.

The event will be live webcast from 09:30 GMT with a replay and transcript accessible afterwards on our website: www.legalandgeneralgroup.com.

1. At 9 June 2017
2. At 31 May 2017

ends

For further information, please contact:

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NOTES TO EDITORS:

Legal & General Group Plc:

1. Established in 1836, Legal & General is a leading provider of insurance, savings and investment management products in the UK. The Group has a market capitalisation of £15.3bn (as at 12 June 2017) and is responsible for investing £894bn worldwide (as at 31 December 2016) on behalf of investors, policyholders and shareholders.
2. Legal & General has over seven million customers in the UK for life assurance, pensions, investments and general insurance plans and over one million customers in the US who rely on us for life assurance.
3. For full year 2016, Legal & General's adjusted operating profit (IFRS basis) was £1,628m and adjusted earnings per share were 22.20p for the period, an increase of 11% and 19% respectively. Net release from operations (net cash) was up 12% to £1,411. Full year dividend was up 7% to 14.35p, with adjusted return on equity at 19.6%. Legal & General Retirement new business was £8.5bn, and annuity assets were up 25% to £54.4bn. Group wide direct investments were up 39% to £10bn.
4. Legal & General is listed on the London Stock Exchange with the ticker symbol LGEN.LN and has an American Depository Receipt ticker symbol OTC:LGGNY. Further information on our ADR program can be found here: <http://www.legalandgeneralgroup.com/investors/adr.html>
5. Legal & General will be disclosing its Interim Results on 9 August 2017.

For more information on Legal & General, please see <http://www.legalandgeneralgroup.com/>

Capital markets event:

The presentation will be webcast live at: <http://www.legalandgeneralgroup.com/investors/video.html>

Participant dial-in details:

From the UK: 020 3059 8125
From the US (toll free): 1 855 287 9927
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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 acquisition 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.