

2020 Capital markets event

Delivering profitable growth and investing in our future: a commitment to Inclusive Capitalism, Climate Change and ESG



Forward looking statements

This document 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 document 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 document or any other forward-looking statement it may make.

Introduction

Nigel Wilson
Chief Executive Officer

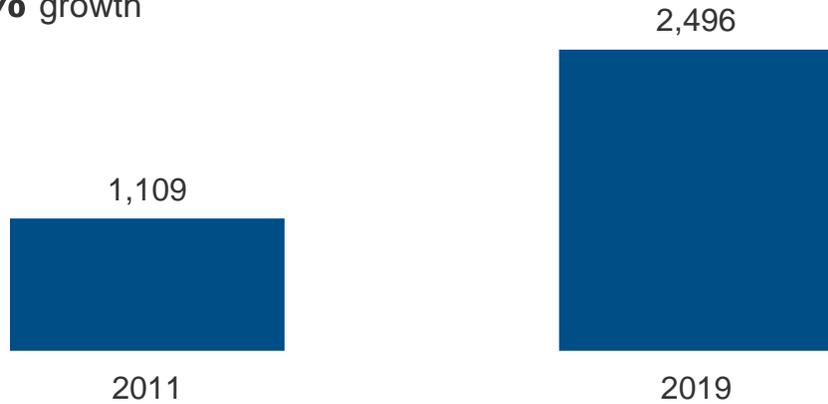
We have delivered consistent and continuous growth for shareholders over the past decade. We remain equally ambitious for the future.

1. We have consistently delivered double digit earnings, profit from divisions and dividend growth over the past decade
 - The performance of individual businesses has varied
 - 2020 is a “pause” year, our businesses and our asset portfolio have performed robustly. We expect 2020 operating profit to be similar to 2019, around £2.3bn
2. We are a retirement solutions provider, which recycles retirement capital into self-manufactured ESG assets, with core skills in asset management and origination, mortality risk and implementing technological innovation
3. Our ambitions are underpinned by five strong businesses, each of which is innovating and expanding globally, adding new products and solutions to their strategic goals
 - This will allow us to grow the dividend at low to mid-single digits (from 2021) whilst continuing to invest in new business and in economic recovery
 - ESG and Climate have become central to our goals
4. We are addressing the four key issues raised by our shareholders; certainty of dividend, credit defaults, Brexit, and the impact of UK and US economic growth

We have an established track record of growth

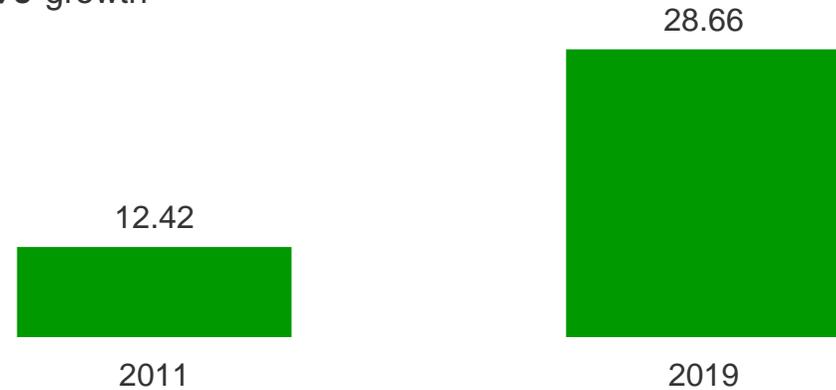
Operating profit from divisions¹ (£m)

125% growth



Earnings per share (p)

131% growth



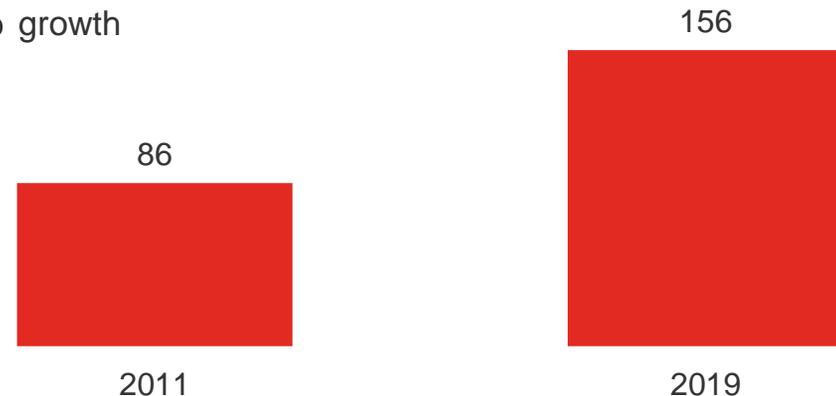
Dividend per share (p)

175% growth



Book Value per share (p)

81% growth



ROE (%)

14.9

20.4

5 | 1. Includes discontinued operations and excludes mortality reserve releases
 2019 LGIM operating profit restated to include LGIM-related costs at Group; 2019 LGIM operating profit excluding LGIM-related costs at Group (£423m)

Our focused strategy continues to deliver profitable growth, with some businesses growing faster than others

Division	Business	Operating Profit (£m)					CAGR %
		2015	2016	2017	2018	2019	
LGRI	Pension Risk Transfer (PRT) ¹	516	651	716	832	1,116	21
LGIM	Investment Management ²	355	366	400	407	394	3
LGC	Capital Investment	233	257	272	322	363	12
LGI	Insurance ³	288	303	303	308	314	2
LGRR	Retirement Solutions ¹	123	158	199	283	298	25
Continuing operating profit from divisions ⁴		1,515	1,735	1,890	2,152	2,485	13
EPS excluding mortality release (p)		18.16	21.22	23.10	24.74	28.66	12

1. Excludes total LGR mortality reserve releases of £920m made between 2017 and 2019. For 2020, a further mortality release of c£200m is expected.

2. 2019 LGIM operating profit restated to include LGIM-related costs at Group; 2019 LGIM operating profit excluding LGIM-related costs at Group (£423m)

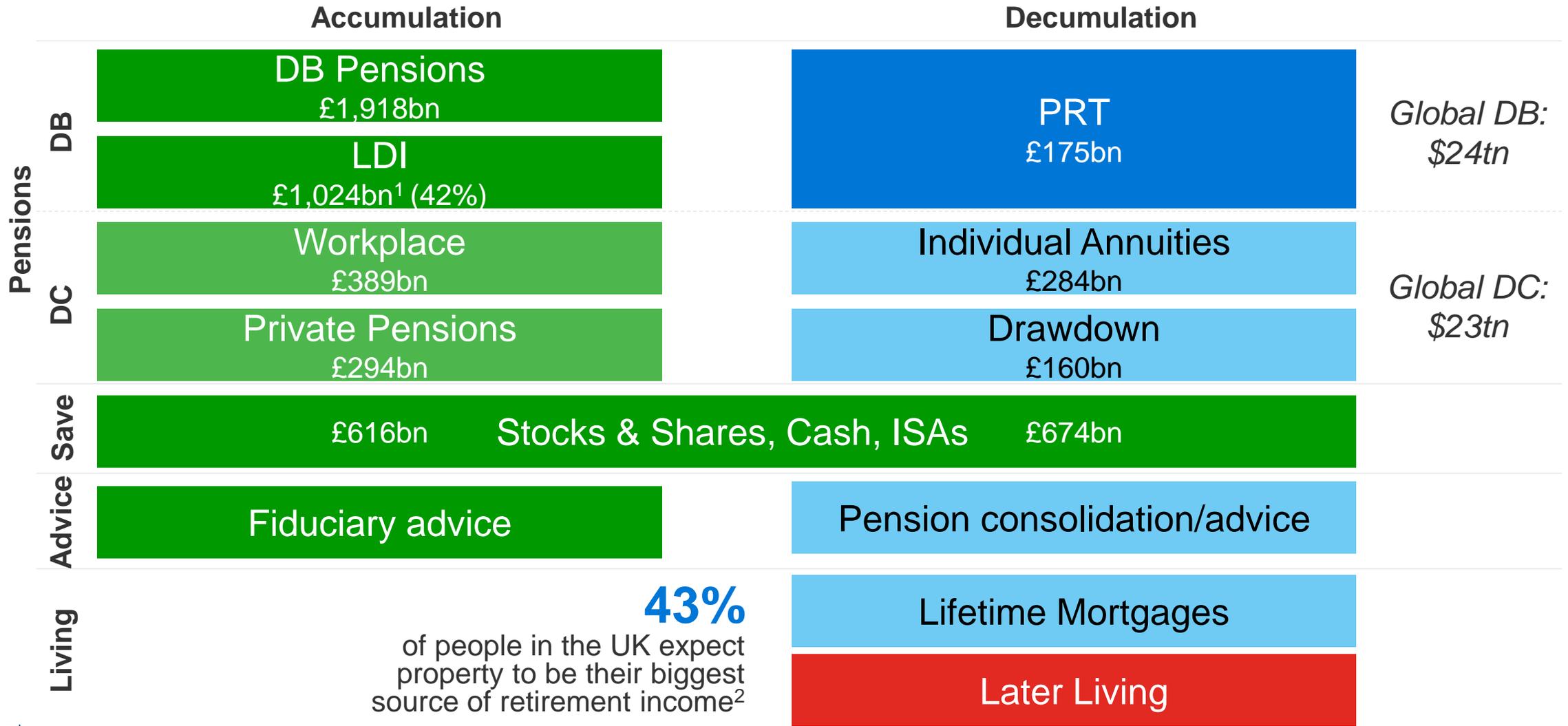
3. LGI results adjusted to exclude profits generated by Legal & General France and Legal & General Netherlands, which were disposed of in 2015 and 2017 respectively

4. 2017 EPS of 23.10p also excludes the one-off benefit of £246m following the US tax reform

L&G is a provider of Retirement Solutions to corporates and individuals

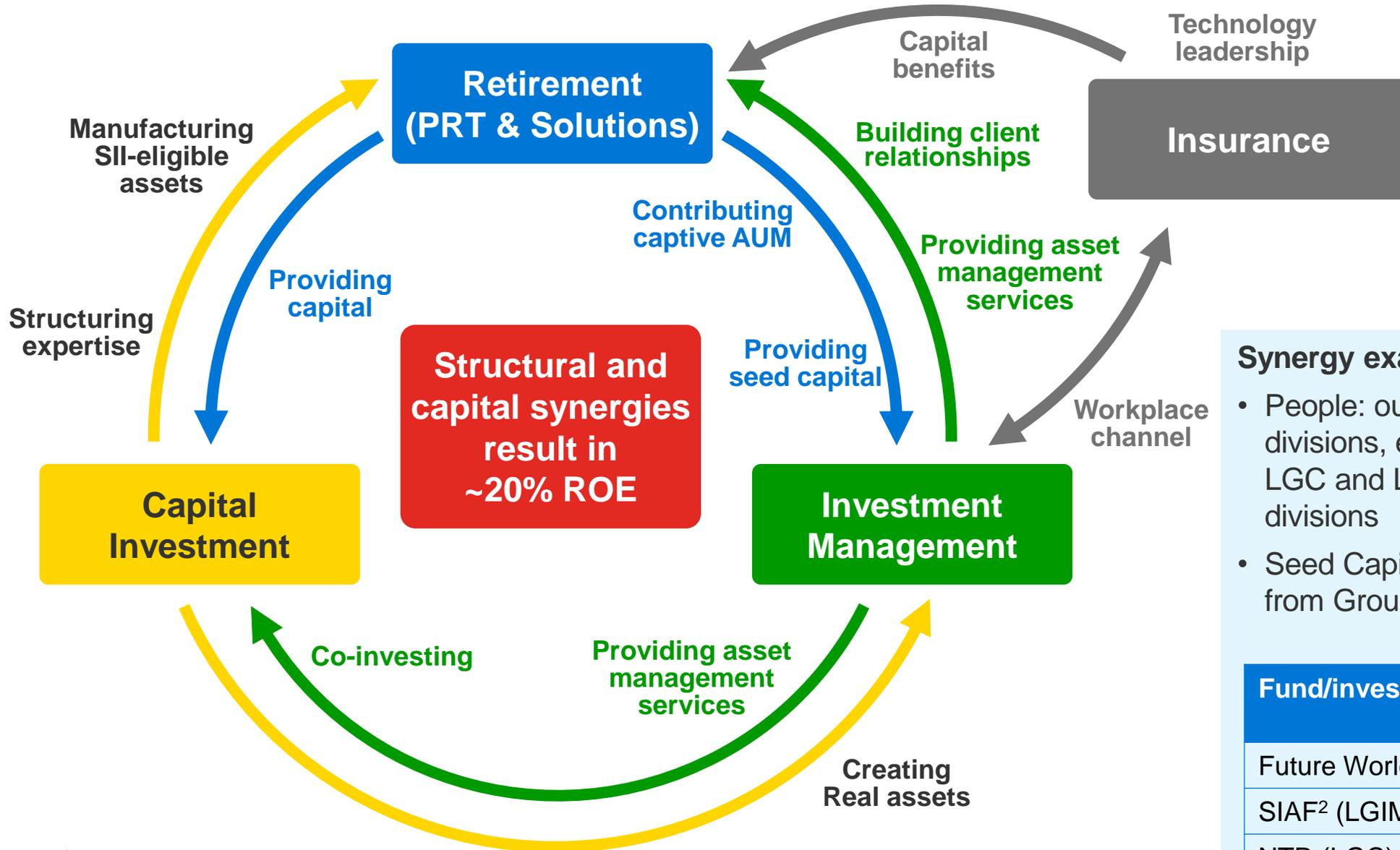
We are the only waterfront player in the UK retirement solutions universe and we can replicate the model internationally

UK retirement solutions universe (2018)



7 | 1. XPS, Liability Driven Investment: A £1tn market, 2019; 2. ONS, Wealth & Assets Survey

Our business model is highly synergistic



Synergy examples:

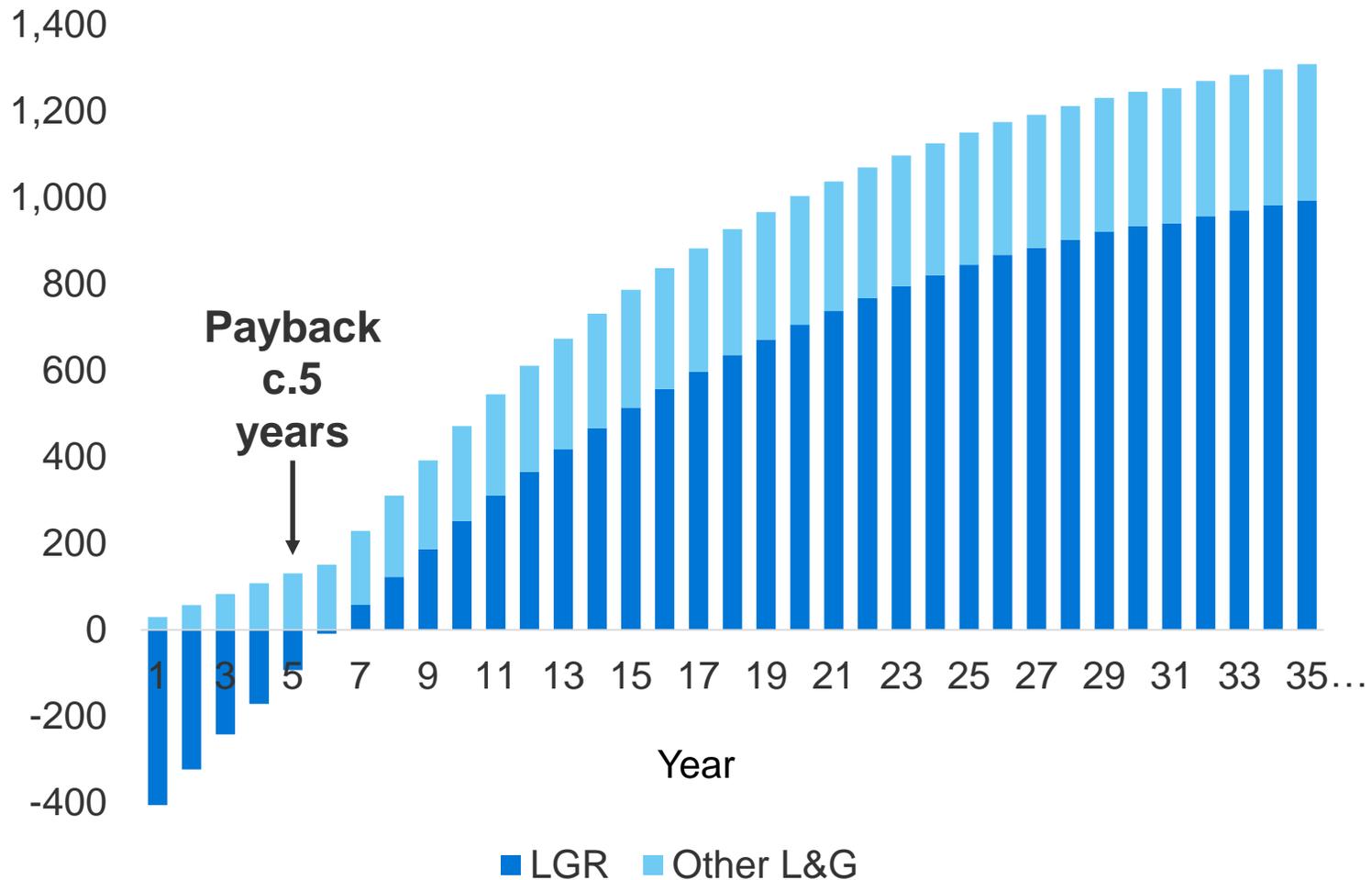
- People: our people often move between divisions, e.g. CEOs of LGRI, LGRR, LGC and LGI have all worked in other divisions
- Seed Capital: LGIM and LGC benefit from Group seed capital, for example:

Fund/investment ¹	Seed Cap, £m	AUM, £bn
Future World (LGIM)	442	1.0
SIAF ² (LGIM)	250	-
NTR (LGC)	150+	0.5

8 | 1. Data in table as at H1 2020, based on committed fund
 2. Secure Income Asset Fund; no investment deployed to date

The PRT business is the best example of synergies across the Group

Cumulative OSG from £10bn of new UK PRT business (£m)



L&G has 4 profit sources from PRT:

1. **LGRI** directly profits from bulk annuities
2. **LGIM** asset management fees for LGRI assets
Revenue from LGR:
 - 2015: £64m
 - 2019: £131m, a 20% CAGR
3. **LGC** asset returns on surplus assets, such as Oxford, Sky, Future Cities (Bristol, Manchester), BTR, Affordable, Clean Energy & Climate. Forecast profits earned are typically 8-10% of asset value.
4. **LGRR** profits from LTM origination, approximately 2% of LTM new business

LGI is highly capital generative, supporting the new business strain from the PRT and Annuities businesses

The majority of L&G's profits (more than 80%) derive from some form of Retirement Solution

Division	Business	2019 Operating Profit (£m)	% Retirement Solutions	Description
LGRI	Pension Risk Transfer (PRT) ¹	1,116	100	Providing institutional Pension Risk Transfer (PRT) solutions for DB pension schemes in the UK, US, Europe & Canada
LGIM	Investment Management ²	394	90	Managing £1.2tn of assets for third party clients (£1.1tn) and for our own businesses (£118bn)
LGC	Capital Investment	363	74	Creating real assets to back our Retirement liabilities, provide to third party clients in LGIM and drive shareholder returns
LGI	Insurance ³	314	!	Providing life insurance, critical illness and long-term sickness cover in the UK and the US
LGRR	Retirement Solutions ¹	298	100	Providing individuals with annuities, lifetime mortgages, and financial advice
Continuing operating profit from divisions		2,485	82	
EPS excluding mortality release (p)		28.66		

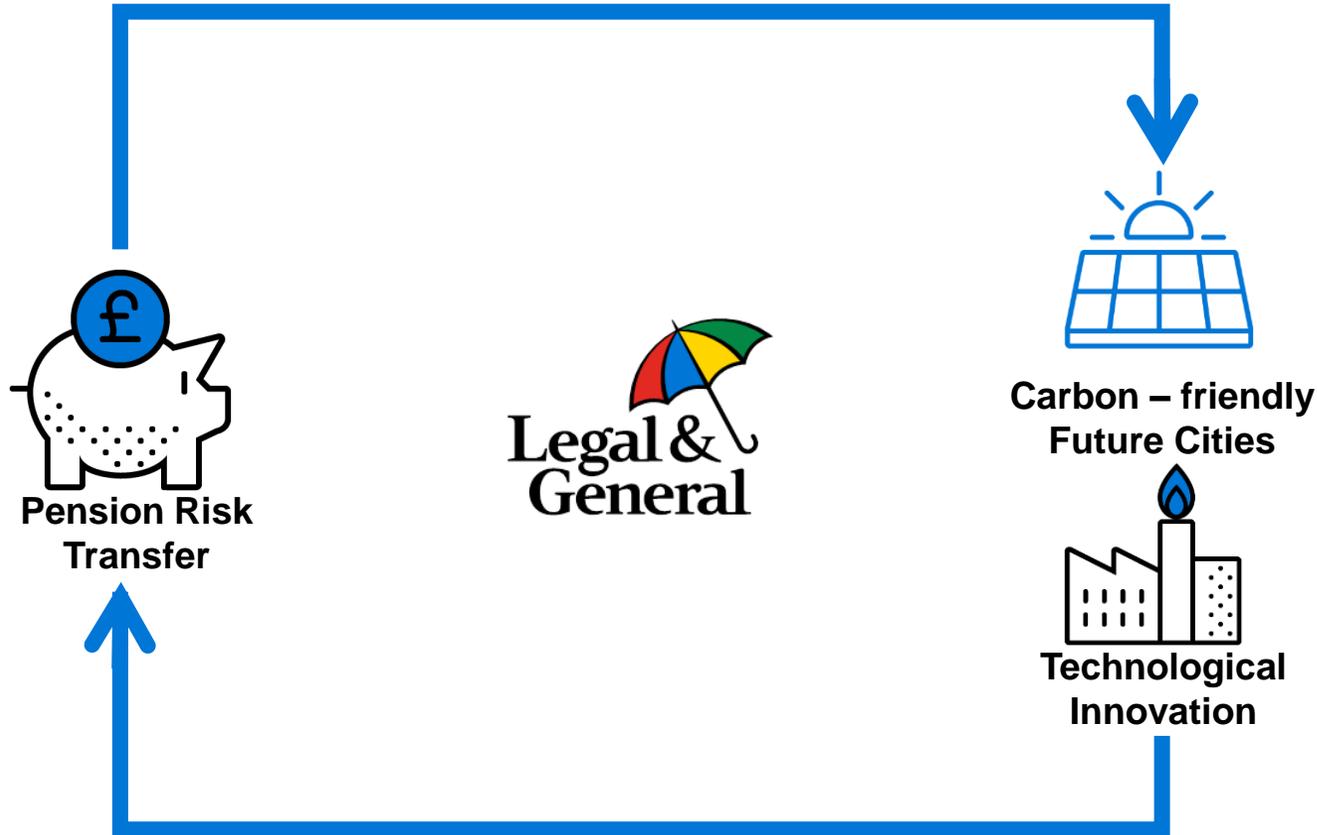
1. Excludes total LGR 2019 mortality reserve releases of £155m. For 2020, a further mortality release of c£200m is expected.

2. LGIM operating profit restated to include LGIM-related costs at Group in 2019, Excluding these costs, 2019 LGIM operating profit £423m.

3. Our Insurance business does not substantially provide or support the provision of Retirement Solutions, however individuals often use whole of life term insurance as part of a suite of retirement and estate-planning solutions.

We recycle retirement capital into ESG investments

Pensioners have assets today,
but need to receive income for life



There is a global need for infrastructure & tech investment,
creating long-term income streams

Carbon and ESG friendly future cities

£26bn social impact from investments¹ and programmes to date, examples include:

Social infrastructure ² :	£6.3bn
Economic infrastructure ² :	£5.3bn
Clean energy investment ² :	£1.4bn
Reduction in CO2 emissions ¹ :	6% vs. prior year

6 structural growth drivers are core to our strategy and success

These position us to have large shares in existing, growing markets, expanding into new ones

Growth Drivers	Market Opportunity	Market Share of NB, %	2025E Market Size	Growth Drivers	Market Opportunity	Market Share of NB, %	2025E Market Size
Ageing Demographics	• UK PRT	25	£415bn	Welfare Reforms	• UK DC AUM	22	£955bn+
	• US PRT	4	\$140bn+		• UK ISA AUM	1	£900bn+
	• UK Individual Annuities	21	£284bn+		• VC into DC (new)	-	
	• UK LTM	21	£40bn+		• Affordable Homes (new)	1	55k units*
	• UK Later Living (new)	3	10k units*				
Globalisation of asset markets	• Global AUM	1.7	\$141tn	Technological Innovation	• UK Retail Protection	22	£7bn+
	• Global Revenues	1	\$341bn*		• US Retail Protection	4	\$30bn+*
	• Global Solutions AUM	6	\$17tn		• Salary Finance (employee reach)	3	100m+
			• SciTech				
Investing in the Real Economy	• UK Build to sell	1	300k*	Addressing Climate Change	• ESG fund range		\$20tn ⁴
	• Pemberton	-			• Scitech (Oxford, Birmingham)		
	• UK Infrastructure	n/a			• Clean investment opport'ities (new)		
	• UK Build to rent (new)	3	104k ²		• De-carbonisation (new)		

Market size and market share of new business (NB) is based on most recent available data and in some cases L&G estimates

* per annum market volume

12 | 1. Market size per annum; 2. Market size represents units built per annum; 3. Global Solutions AUM of \$11tn includes LDI, Multi-Asset and Solutions;

4. \$130 trillion investment needed to 2050 in order to achieve zero emissions, scaled pro-rata to 2025, source: <https://about.bnef.com/new-energy-outlook/>

We intend to grow the dividend at low to mid-single digits from 2021

Cumulative (£bn)	2016-2019	2020-2024
Cash generation ¹	5.9	8.0-9.0
Capital generation ²	5.5	8.0-9.0
Dividends³	3.8	5.6-5.9

- Our current intention is to keep the final 2020 dividend flat.³ **Thereafter, we intend to grow the dividend at low to mid-single digits**
- Over the period 2020-2024⁴ our ambition is for:
 - Cash and capital generation to significantly exceed dividends
 - EPS to grow faster than dividends
 - Net surplus generation (i.e. including new business strain) to exceed dividends

1. Cash generation is IFRS Net release from operations (excluding non-BAU mortality releases)

2. Capital generation is Solvency II operational surplus generation

3. Dividends declared. Assumes a flat final 2020 dividend, and 3-6% annual growth thereafter. The Board will make a final decision at year-end

4. The ambition is based on the aggregate performance over a five-year period. Performance may vary from year to year and individual statements may not be met in each year on a standalone basis.

Our ambition will be delivered by balanced growth across each of our 5 businesses and our focus on addressing climate change

We are innovating to grow by adding new products and new markets. We continue to accelerate our evolution.

Business	Current Plan	Addition to plan in 2020
LGRI	<ul style="list-style-type: none"> £40bn to £50bn of UK PRT over the next 5 years Outstanding customer engagement Improve capital efficiency by 10% Successfully launch new DB de-risking products, e.g. Insured Self-Sufficiency and Assured Payment Policy 	<ul style="list-style-type: none"> \$10bn International PRT over the next 5 years Optimise execution of £5bn+ transactions Originate more assets from housing and energy
LGIM	<ul style="list-style-type: none"> Accelerate growth in the USA and Europe and build presence in Japan and China Build new management team 	<ul style="list-style-type: none"> Improve operating economics and performance Expand products with higher margins (diversify) Build profitable growing businesses in international markets, e.g. Asia, USA, Europe
LGC	<ul style="list-style-type: none"> Establish a set of discrete alternative asset platform businesses with strong synergies with LGR and LGIM Earnings growth without equivalent increase in asset exposure by leveraging third party capital 	<ul style="list-style-type: none"> Use third party equity to increase pace of growth businesses, e.g. Later Life Living Pursue bolt-on acquisitions, for instance, alternative asset platforms: previous example, NTR (solar, wind)

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Business	Current Plan	Addition to plan in 2020
LGI	<ul style="list-style-type: none"> Transform UK protection business via technology Diversify distribution in UK and US Accelerate growth of digital platforms. e.g. Salary Finance 	<ul style="list-style-type: none"> Accelerate growth of USA by greater use of technology Use technology to expand UK business in adjacencies, e.g. mortgage market Pursue bolt-on acquisitions in adjacent markets
LGRR	<ul style="list-style-type: none"> Add further channels to annuity business, e.g. Prudential, whilst improving customer service and growing market share Add new products and operational efficiency to LTMs 	<ul style="list-style-type: none"> Drive synergies with our 4m Workplace Pension customers Penetration into the “wealthy retirees” segment Using housing equity to solve the care and climate change crises Internationalise the business
Climate	<ul style="list-style-type: none"> Invest in assets and associated expertise Between 2013 and 2020, reduce: <ul style="list-style-type: none"> carbon emission per policy by 20% office water usage per policy by 20% total waste generation per policy by 25% 	<ul style="list-style-type: none"> Develop 3-4 businesses that contribute over £100m of profit (not included in the plan) Reduce the number of carbon-intensive companies that we own in our shareholder funds Develop low-carbon, energy-efficient homes in our housing business (net zero by 2030)

ESG is core to our goals



We think about the long-term ESG impact of our businesses, particularly in terms of:

1. How our businesses operate
2. How we invest our £90bn of proprietary assets¹
3. How we influence as one of the world's largest asset managers with £1.2tn AUM

Our strategy, centred on Inclusive Capitalism, means that by addressing climate change and social inequity arising from welfare reforms and ageing demographics, we can both positively impact the world around us, and deliver long-term, secure returns for shareholders

ESG Ambition Examples

E

- Decarbonise our balance sheet assets to align with the Paris objective
- Provide capital for up to 5% of the UK clean energy market by 2021 (enough to sustainably power 5% of all UK households)
- Have all new L&G homes operating at net zero carbon emissions beyond 2030

S

- Increase the proportion of economically and socially valuable assets with our real asset portfolio to 20% by 2023
- Build 3,000 affordable homes per year by 2023
- Invest £10 billion into SMEs through LGC by 2023, supporting job creation and economic growth

G

- Deliver 50:50 by 2020 gender mix through recruitment and retention initiatives
- Through LGIM, engage with investee companies on key themes (climate, diversity, health, income inequality and financial inclusion)
- Increase the share of social enterprises and SMEs within our supply chain to at least 5% by 2024

Investors have raised four issues

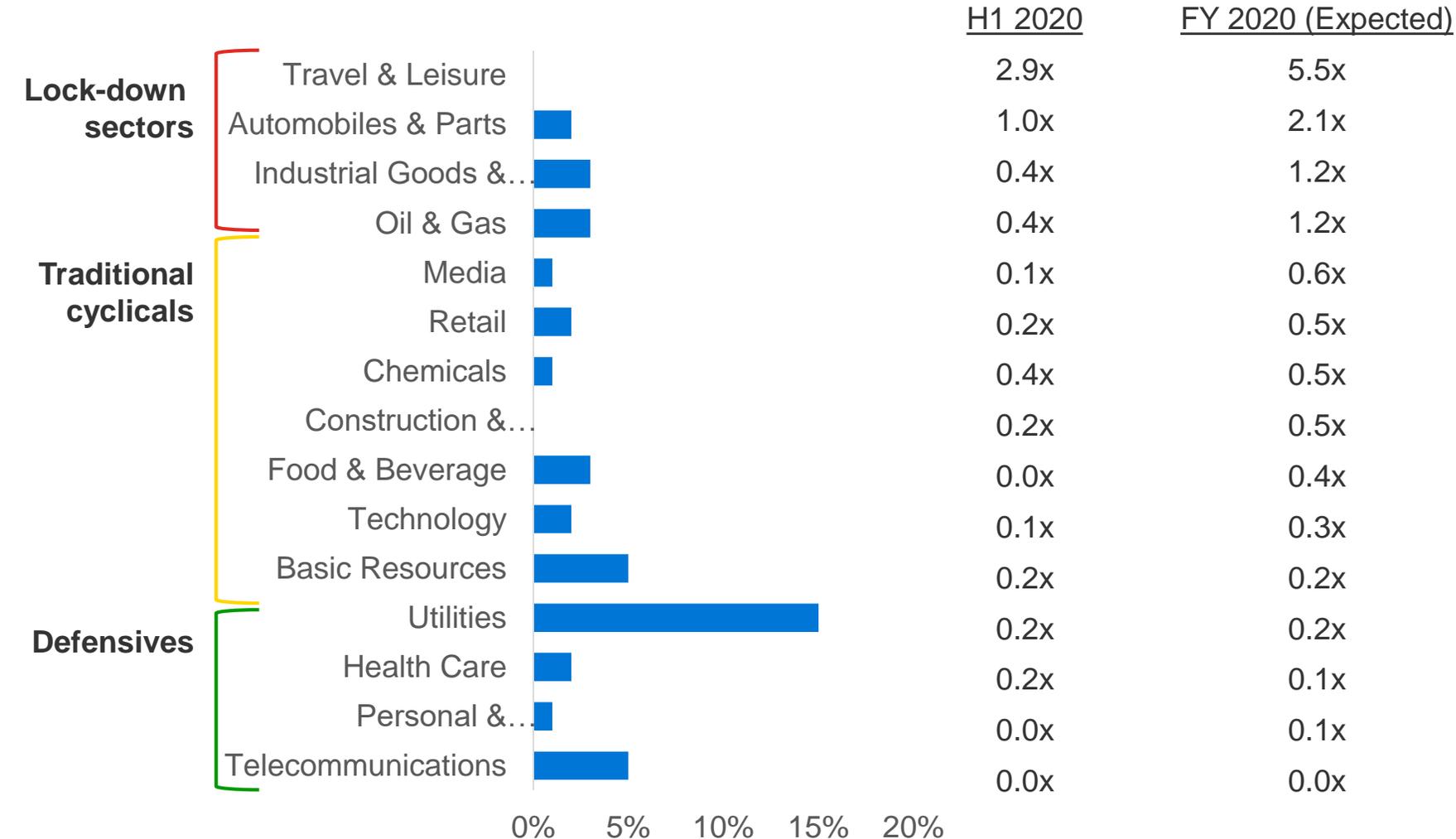
Issues	Response
1 Dividend will be cut	New dividend policy - low to mid single digit growth from 2021
2 Defaults will surge causing a profit shortfall	<ul style="list-style-type: none"> • We have experienced minimal default losses, £25m in 12 years • 98% of our portfolio is investment grade credit, including only 3% that is BBB- • 2% of our portfolio is BB; BB annual market default rate 0.4% (L&G: £0 in 12 years)
3 Brexit will cause a reduction in earnings	<ul style="list-style-type: none"> • Our industry has planned for 4 years; low impact on profits • Low Brexit exposure in operational businesses (primary markets UK and US) • Mitigated exposure in asset portfolio (only 22% of assets are UK corporate credit, many of which are multinationals) • There are likely to be changes to Solvency II following Brexit, potentially reducing Risk Margin and expanding eligible asset classes
4 UK and US economies will significantly shrink in 2020 with low growth in 2021 causing profits to fall	<ul style="list-style-type: none"> • We have experienced minimal impact on operating profits in 2020 • We don't expect much of an impact on our financials from Lockdown 2 • We have strong visibility on new business volumes and the potential for our back book in 2021

Our performance is underpinned by a robust asset portfolio

What we have, and what we don't... we have limited exposure to COVID-impacted sectors

Limited exposure to at-risk sectors, % of Bond Portfolio¹

Sector debt leverage increase as at²:

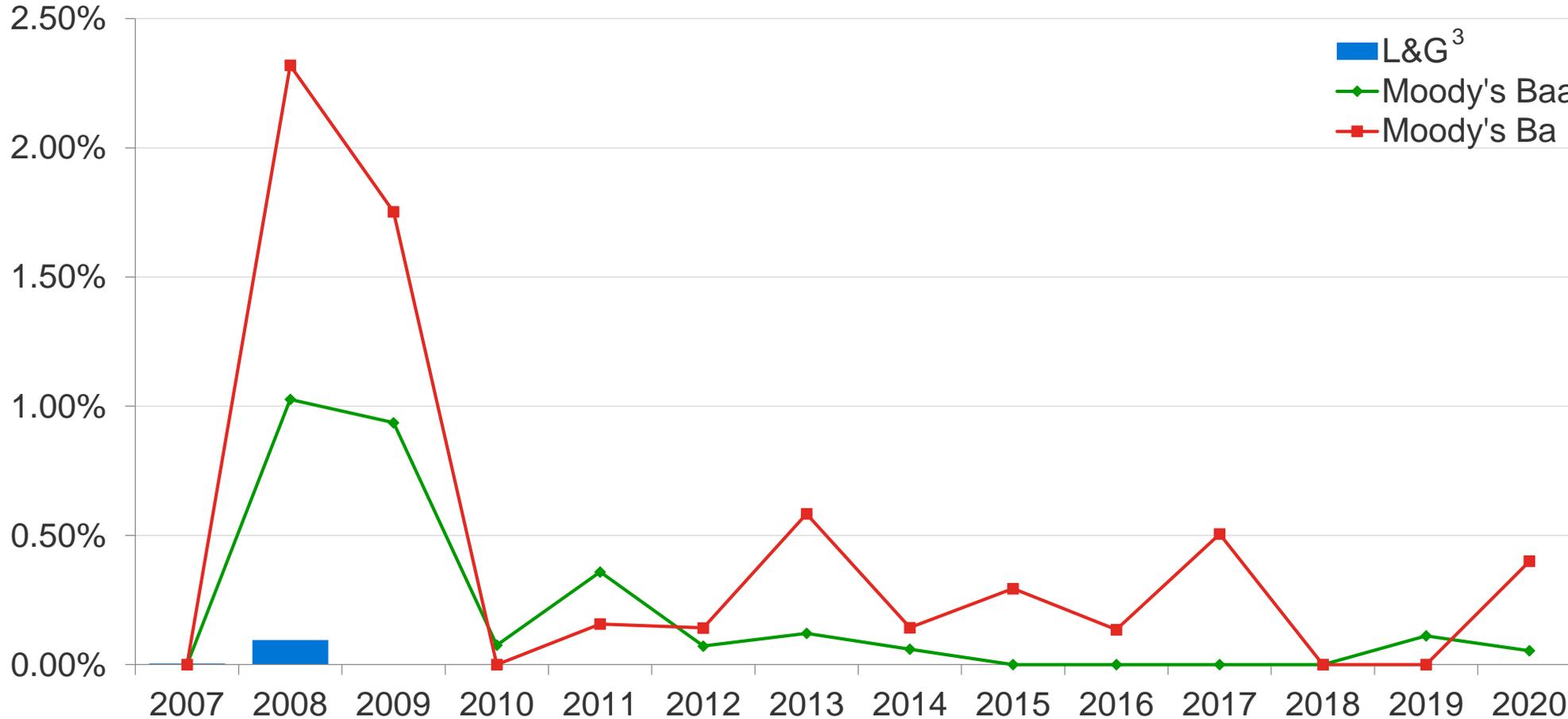


We only lose money when we have defaults, and defaults are not expected to increase materially:

1. The credit problems are concentrated in a reasonably small number of sectors (the **'lock-down sectors'**), where we have less exposure, particularly in lower rated assets
2. Companies are generally managing this crisis well
3. Earnings expected to improve by 2021 for most companies, therefore leverage will reduce
4. Liquidity is absolutely not a problem for IG corporations. This won't necessarily protect against a downgrade, but defaults are much less likely when there's no cash crisis.

Our asset management approach has helped us avoid defaults through the last financial crisis

% of traded portfolio defaulting during the year



L&G portfolio is¹:

98%
Investment
Grade

Only
3% BBB-

More resilient:
Net downgrades to
sub-IG of 0.8% vs
1.7% of market in
2020²

19 | 1. Except where other noted, figures are as at 30 June 2020
 2. Legal & General Traded Bond Portfolio s at 31 October 2020
 3. Default losses

We are well positioned to deliver further profitable growth and committed to Inclusive Capitalism

- We have an established track record of profitable growth
- We have a clear and well established strategy
- We have five strong businesses with distinct competitive advantages
- We have a clear and compelling set of financial ambitions, delivering income and growth
- We are committed to delivering profitable growth and to investing in society's future

Institutional Retirement

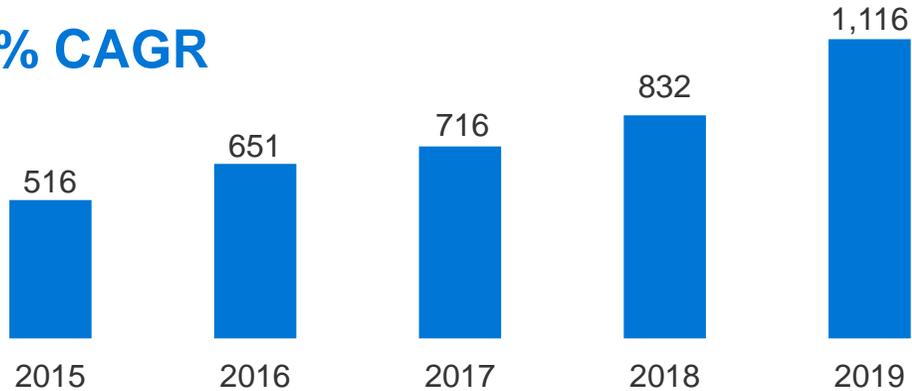
Laura Mason
LGRI Chief Executive Officer

Legal & General Retirement Institutional (LGRI) overview

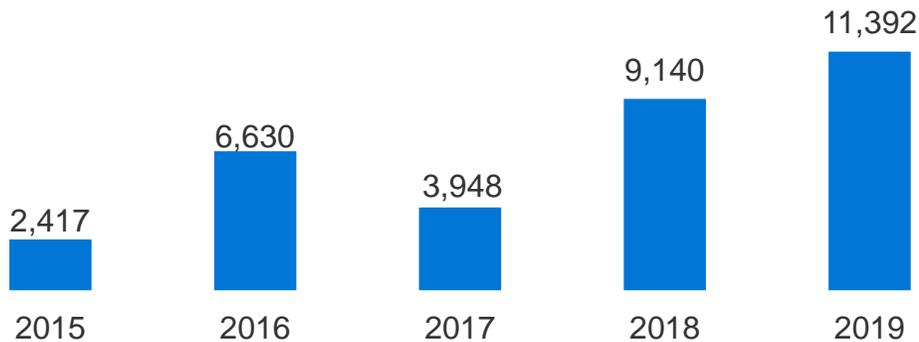
Offering pension risk transfer (PRT) to institutional clients globally

Operating profit¹ (£m)

21% CAGR



PRT new business premiums (£m)



Products

- UK PRT – a market leader
- International PRT – US (Top 10), Canada, Ireland, Netherlands
- UK Longevity Insurance
- UK pre-buyout solutions – Assured Payment Policy (APP) and Insured Self-Sufficiency (ISS)

Strategy and Ambition

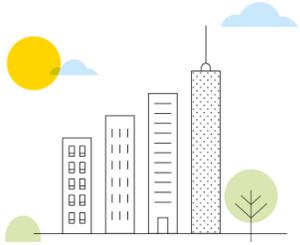
Strategy:

- Maintain UK leadership and grow overseas market share
- Strengthen asset sourcing (a core competitive advantage), including self-manufactured and public assets with a strong ESG focus
- Leverage L&G Group strengths and capabilities, mutually reinforcing business model and strong client service

Ambition: Over the next 5 years, write:

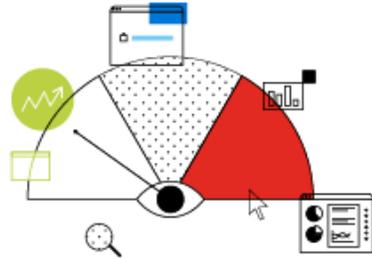
- **£40-50bn** of UK PRT
- **\$10bn** International PRT

Securing pension benefits across the globe



Pension Risk Transfer (PRT) is growing

There are £6.5 trillion global defined benefit pension liabilities that have not yet been insured



We are uniquely positioned

Our business model means we have LGIM as an in-house partner for asset management and a source of clients, together with LGC's expertise in self-manufacturing assets



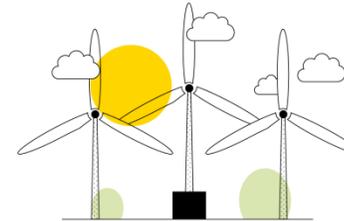
We are a UK market leader

We offer a 'whole of market' product range and continue to innovate to provide greater de-risking access, choice and flexibility



We are increasing our global presence

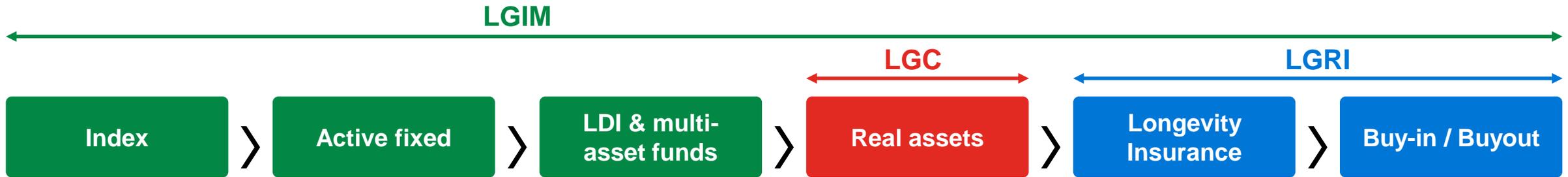
We are a top 10 PRT insurer in the US with reinsurance opportunities in Canada, Ireland, Netherlands.



We invest with purpose

Our ESG objectives focus on three key areas: portfolio decarbonisation, social impact and strong governance

Our unique business model helps us win PRT deals and retain value and profits across the Group



51% of UK PRT transactions are from LGIM clients¹

- As the market leader in UK DB asset management, **LGIM** has deep relationships with potential future clients of **LGRI**
- Once they can afford a bulk annuity, many **LGIM** clients choose **LGRI**, providing a **reliable source of new business**
 - Because many pension plans have de-risked through LDI, affordability, and therefore, demand, for PRT is resilient through market cycles
- Our asset manufacturing capabilities are a competitive advantage as we leverage **LGC**'s expertise
- By providing our own administration for PRT and by leveraging capabilities across the Group (**LGIM** asset management, LGC asset creation, and LGRR LTM asset origination), **PRT value and profits are generated across L&G**

Case study: Working across L&G to help clients achieve their de-risking goals

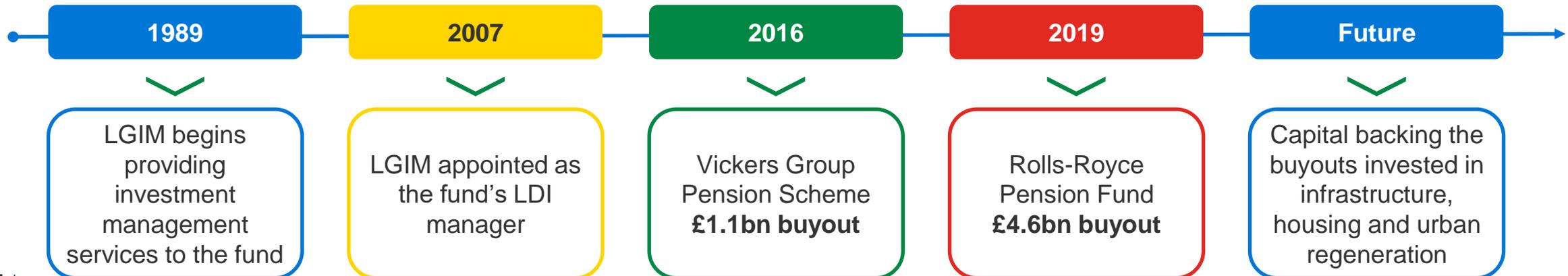
ICI Pension Fund buy-ins

9 transactions covering c.£5.8 billion of retirement benefits

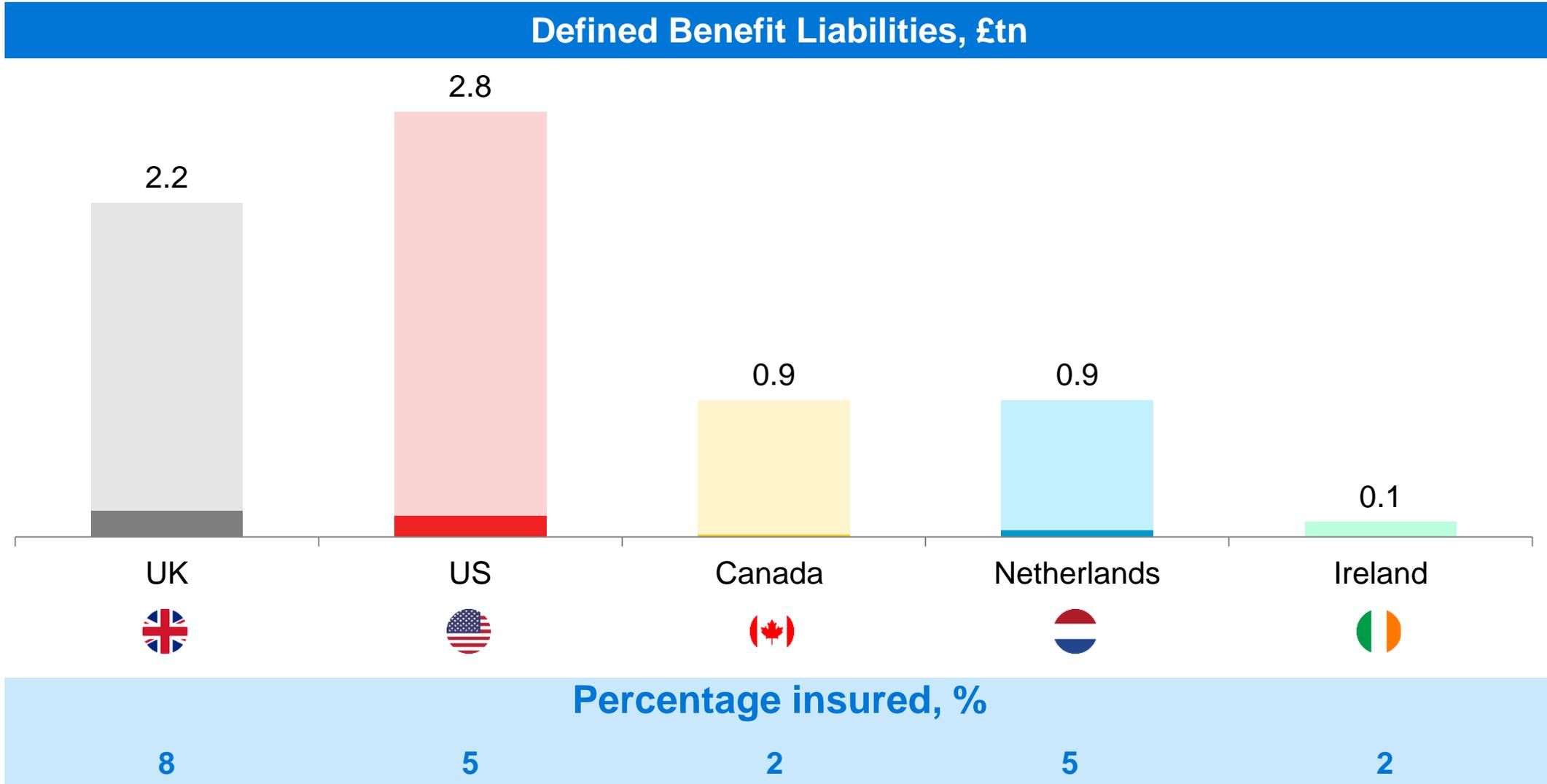


The Rolls-Royce UK Pension Fund's de-risking journey

20 years in the making

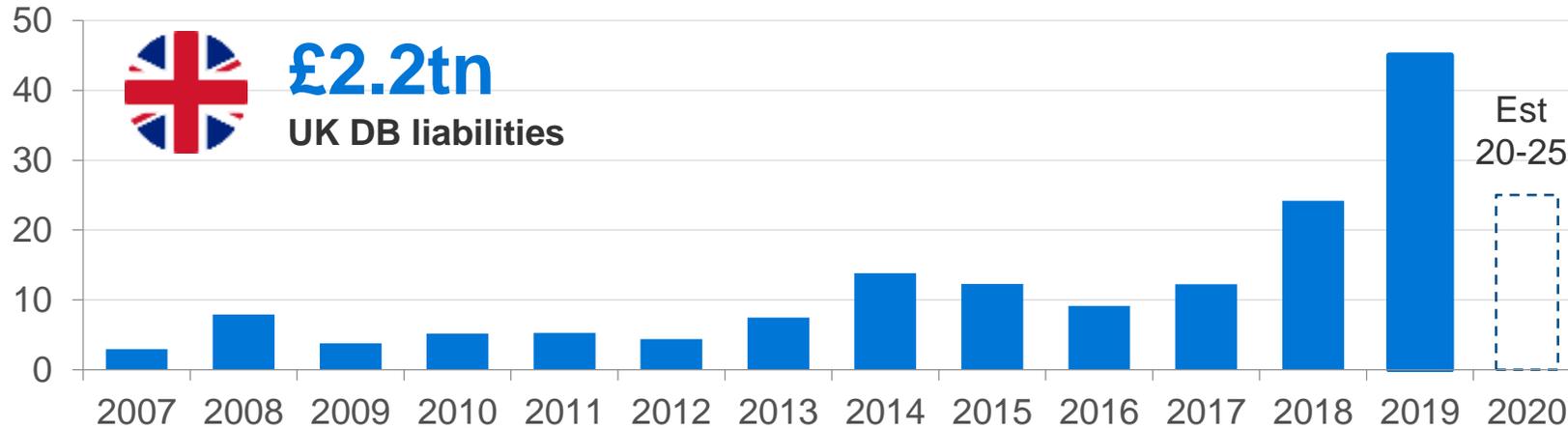


Opportunity: Globally there are more than £6.5tn of uninsured DB liabilities



Strategy: Continue to be a key player in UK market

Opportunity: A growing PRT market, Annual PRT volumes in £bn



5 year ambition



£40-50bn
cumulative

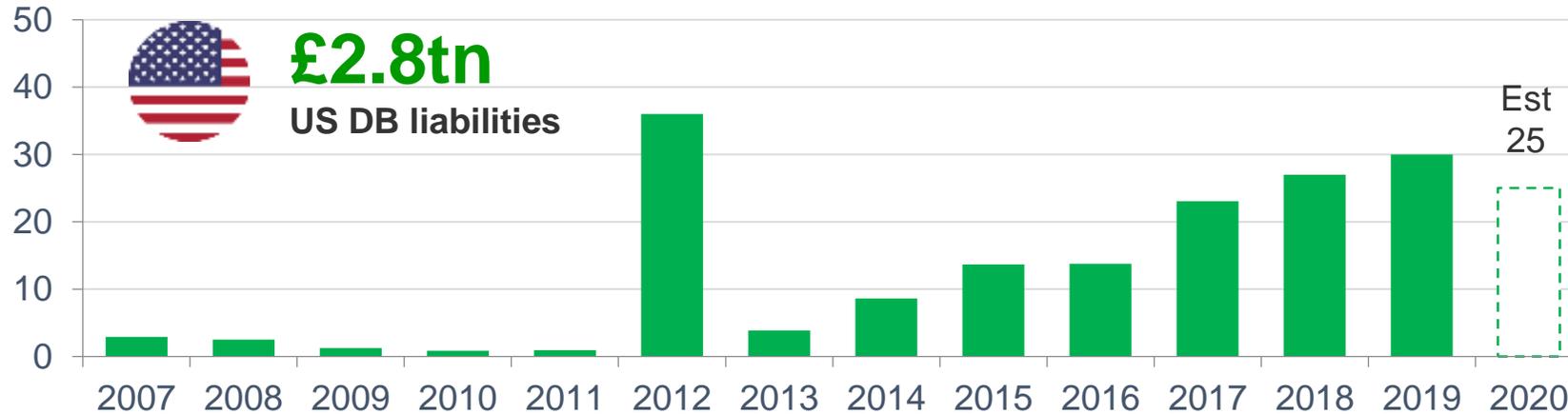
Why L&G will win

- A growing market: Potential size of UK buyout market over the next 5 years is £240bn²
- **Long standing relationships through LGIM**
- The only UK **whole of market provider**, seeing almost all deals that come to market
- Leveraging LGC's asset manufacturing capabilities is a competitive advantage which helps us offer value to our clients and attractive returns from PRT business

1. Source: Lane Clark Peacock Pension De-risking Report, July 2020; Future predictions: Willis Towers Watson, Aon, Lane Clark Peacock, Mercer

Strategy: Grow overseas market share, starting in the US

Opportunity: A growing PRT market, Annual PRT volumes in \$bn



5 year ambition



Why L&G will win

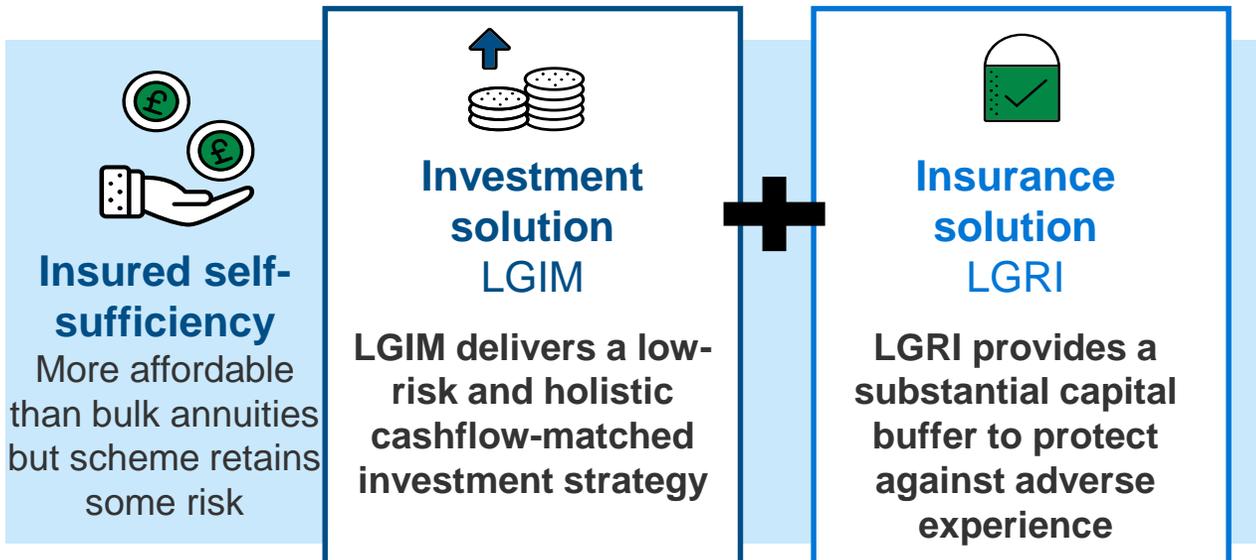
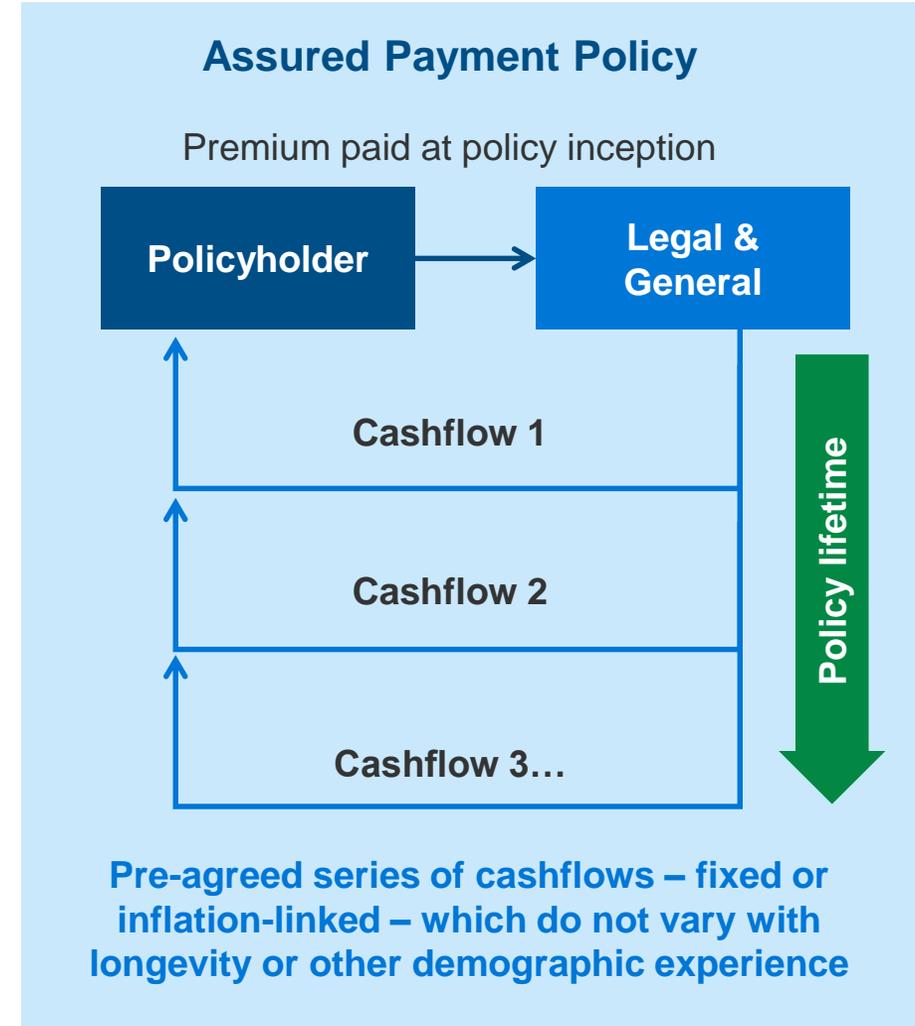
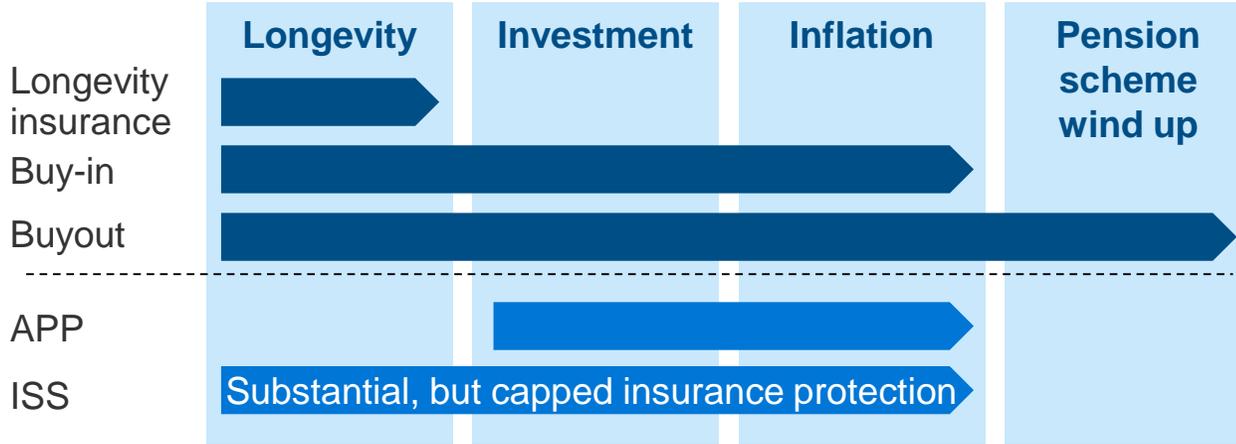
- Top 10 in a growing market
- We have been disciplined in our market entry into the US, focusing on smaller deals, establishing a **reputation for excellence in execution and administration**
- Proven business model with c\$5bn since market entry in 2015, **now focussing on and winning larger deals**
- We aim to grow market share from our current level (4% in 2019)
- Only international PRT provider, uniquely positioned to de-risk multinational companies

Our businesses have continued to perform robustly in 2020; US premium volumes highest ever as we grow market share

	LGRI UK (£bn)	LGRI US (\$bn)
YTD Premiums	4.7	1.2
Exclusive transactions	1.7	n/a
Actively quoting pipeline	21	10
	<p>Already more transactions written than in 2019 (36 in 2020 YTD vs 28 in 2019)</p> <p>75% of transactions are with LGIM clients</p>	<p>5 deals c\$100m or more</p> <p>1st joint UK/US deal (IHS Markit)</p>

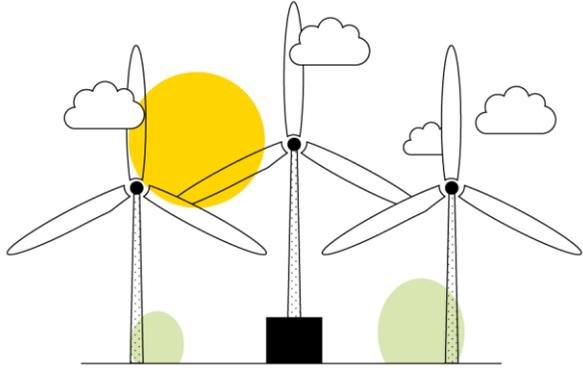
Strategy: Leverage Group capabilities to deliver product innovation

We aim to provide pension schemes with greater de-risking access, choice and flexibility



Strategy: Invest today's pension capital to build a better future

Asset manufacturing capabilities are a competitive advantage



£1.1 billion of our portfolio is invested in clean energy



Oxford University partnership, £4bn commitment



Commitment to deliver over 3,000 affordable homes p.a. by 2023

£1 trillion

UK infrastructure funding gap

£1.6 trillion

DB pension assets on UK companies balance sheets

£150 - £190 billion

Potentially available for investors to invest in UK infrastructure over the coming decade

£26 billion

Group-wide direct investments¹

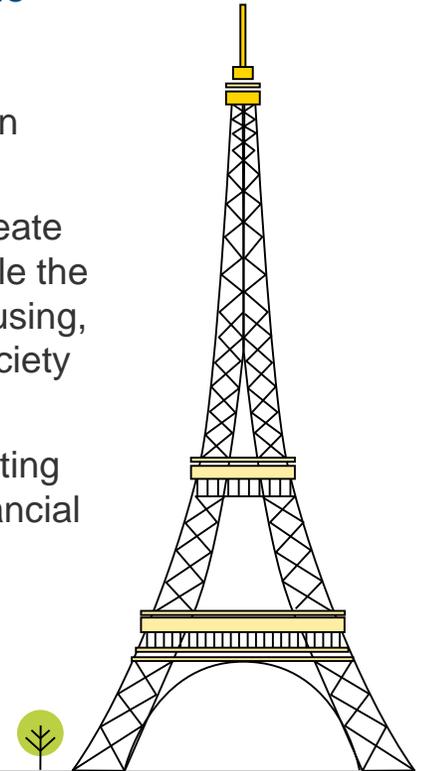
ESG objectives are embedded in our investment strategy

Align with Paris and disclose ► Measure and mitigate risks ► Invest for impact

LGR are actively embedding ESG in our portfolio strategy, to ensure we are on the “right side of history” and are seen as leaders in the industry while continuing to maintain our PRT competitiveness.

We have three key ESG objectives:

- 1. Environmental impact through portfolio decarbonisation:** align with the **Paris Climate Agreement**, support net-zero objectives and reduce our portfolio carbon emission intensity to half by 2030.
- 2. Social impact:** invest in assets which create real jobs, improve infrastructure and tackle the biggest issues of our time – including housing, climate change, fostering an inclusive society and the ageing population.
- 3. Governance:** good investment underwriting requires LGR to identify and manage financial related risks including ESG.



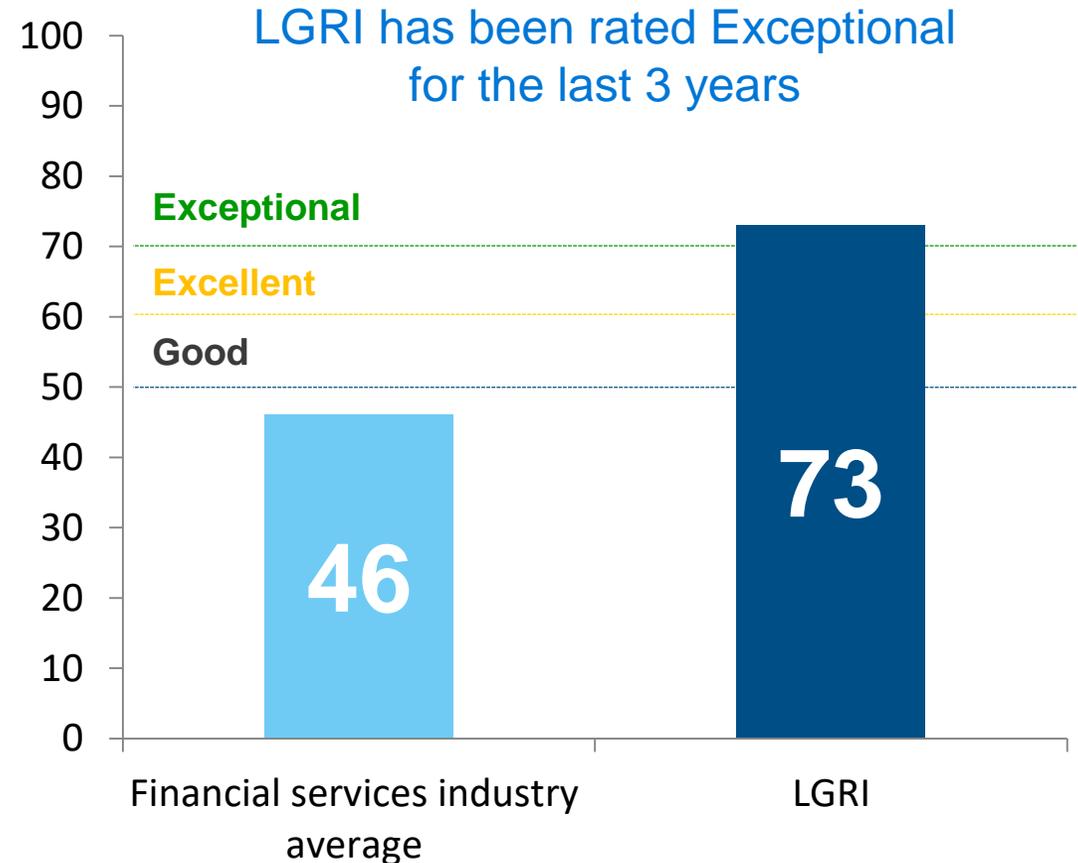
In-house administration means better experiences for customers and more value retained within the Group

As one of the few PRT providers with in-house administration our customers receive:

- Responsive and timely resolutions
Just 0.04% UK customer complaints
- In-house, in-country, call centres with employees sensitive to their needs – including vulnerable customer training for staff
US Caller Satisfaction Rating: 4.95/5 stars

By keeping administration in-house and at scale, we are retaining PRT value within the Group

Customer satisfaction is evident from our Net Promoter Score



Institutional Retirement

Maintaining a market leading position in UK PRT while growing market share abroad

Opportunity

- **£6.5 trillion** global defined benefit pension liabilities that have not yet been insured
- **Over £20 billion** in short-term UK pipeline

Strategy

- **Maintain UK leadership** and **grow overseas** market share
- Use the savings within DB **strong ESG focus**
- Leverage **L&G's mutually reinforcing business model** and strong client focus to support LGRI ambitions

Ambition

Over the next 5 years, write:

- **£40-50bn** of UK PRT
- **\$10bn** International PRT

Investment Management

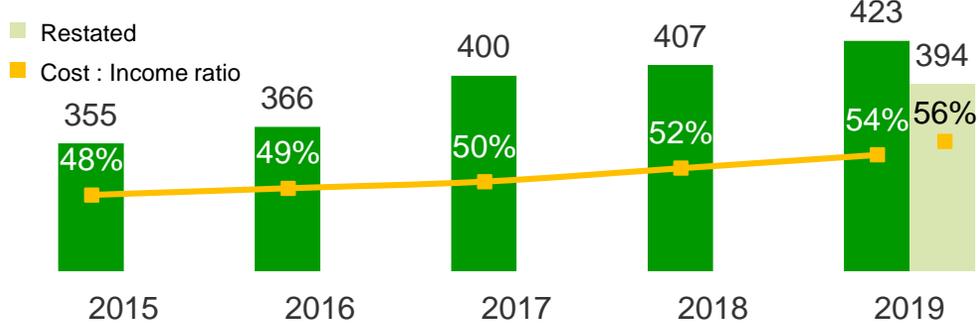
Michelle Scrimgeour
LGIM Chief Executive Officer

Legal & General Investment Management (LGIM) overview

A leading global asset manager of scale and stature, with a pedigree of outperformance

Operating profit (£m)¹

3% CAGR



Net flows (£bn)

7% CAGR²



Capabilities

- **DB Solutions:** UK and US leader in LDI; expanding from UK DB into DC and Retail channels
- **DC:** Leading provider in UK DC (£97bn AUM), strong US capability
- **Real Assets:** £32bn AUM, a leader in UK Real Estate Equity
- **Active strategies:** £190bn in actively managed strategies
- **Multi-Asset:** A £57bn platform and growing; built in <10y
- **ESG:** Leader in Stewardship, £174bn in ESG strategies
- **Index:** Top 5 globally

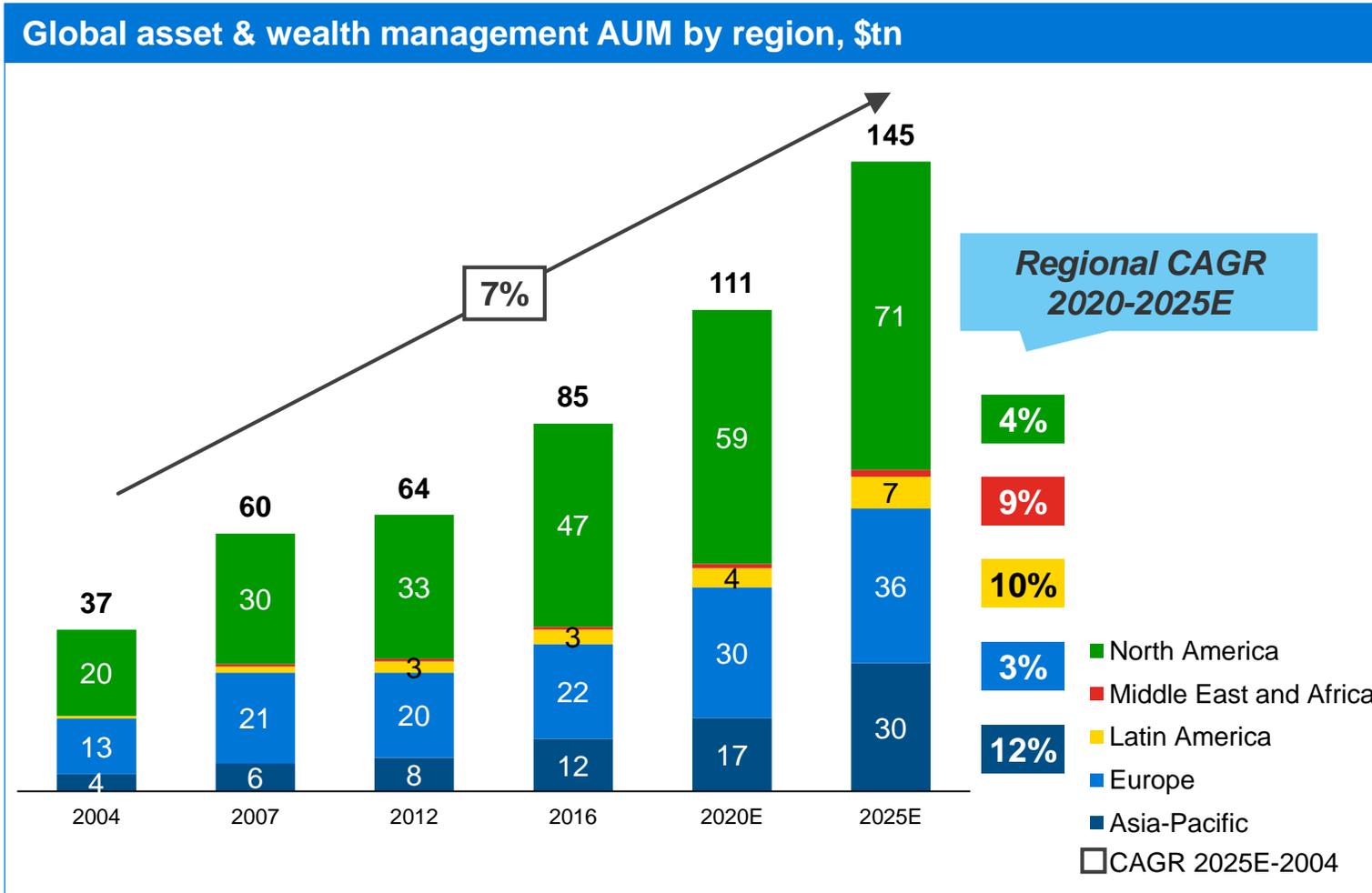
Strategy and Ambition

- Strategy: **Modernise, Diversify and Internationalise**
- Ambition:
 - Grow cumulative profits at least in line with the Group's dividend growth rate, absent market shocks
 - Grow AUM in international and higher margin product lines
 - Diversifying by client, channel and geography
 - Maintain a CIR in the high 50 percent range over the next 2-3 years as we invest for growth, after which we expect it to trend downwards

1. 2019 LGIM Operating profit restated to include LGIM-related costs at Group. CAGR reflects restated Operating profit, no LGIM-related costs at Group in 2015

2. Normalised CAGR, excluding 2019 £37bn passive mandate with the Japan Government Pension Investment Fund: Including this mandate 23% CAGR

LGIM operates in a large and growing global market

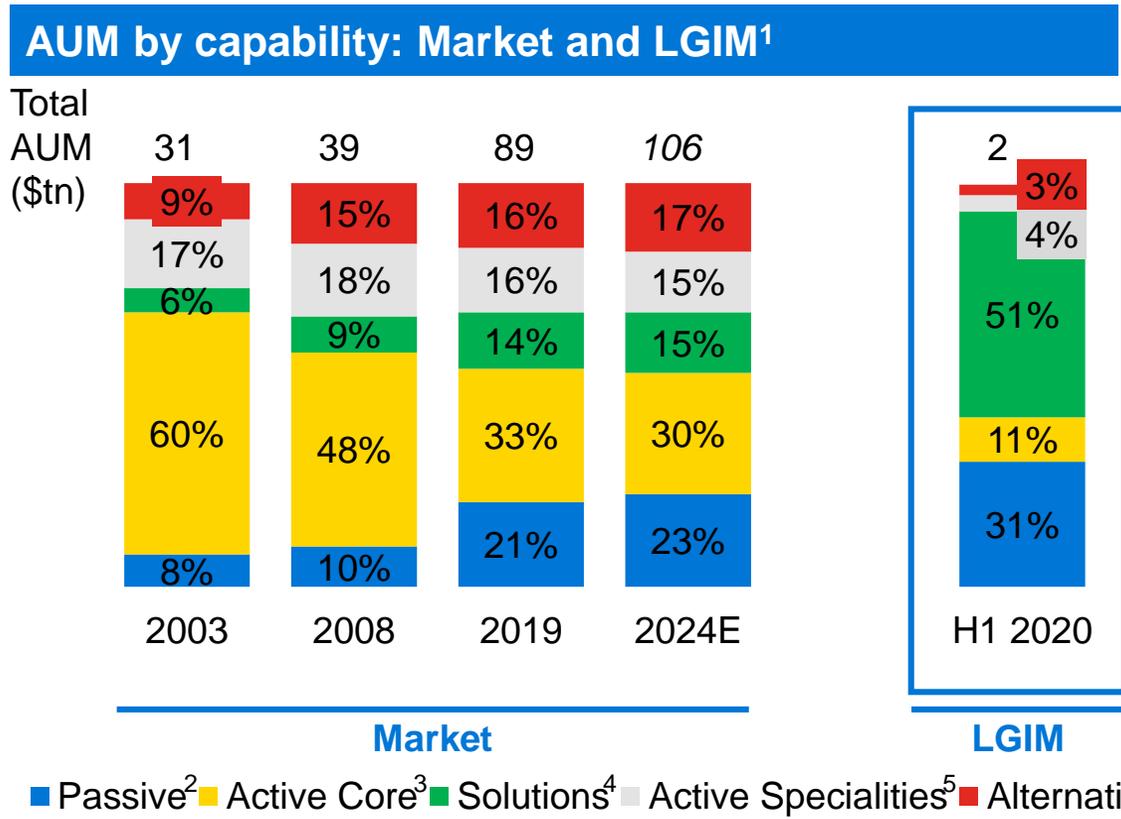


- Key observations**
- Global market growth will be uneven; on a percentage basis, it's **slowest in developed markets and fastest in developing markets**
 - PwC anticipate **slowing assets growth in North America to 4%** from 2020 to 2025, lifting assets to US\$71 trillion by 2025
 - Similarly, **Europe is projected to grow at 3% over 2020-2025**, with assets rising to US\$36 trillion by 2025
 - **Asia-Pacific's dynamism is expected to spur growth of 12%** over the same period. This will lift regional assets to US\$30 trillion
 - **Latin America is likely to grow at similarly rapid rate of 10%** over the next 5 years from a low base of US\$4 trillion. PwC anticipate the region's assets to increase to US\$7 trillion

Our investment capabilities align to higher margin and growth areas

LGIM's offering is heavily weighted towards structural growth areas (e.g. Solutions and Index)

LGIM is growing fastest in, and will intensify its focus on, higher margin sectors



By capability (colours map to colours on graph)	AUM 2019 £bn	15-19 CAGR %
Real Assets	31	15
Multi-Asset	58	29
LDI	527	12
Active Strategies	177	13
Index	404	11
Total	1,196	13

The Diversify and Internationalise pillars of our strategy will drive further growth in these areas

We also possess important broader competitive advantages

LGIM's people, client-centricity, leadership in ESG and focus on value position us for future growth

Pressures

- Socio-economic volatility
- Fee compression, rising costs
- Increasing competitive intensity
- Growing regulatory burden

Genuine **client-centricity** plus omni-channel approach.
We cover all routes to end customer

Highly dedicated, professional and collaborative teams. **Global talent pool** of over 2,800 employees

Responsible investing leader. Pedigree in stewardship and ESG integration

Strong focus on **value** for clients; cost-effective building blocks, service and solutions

Opportunities

- Global AUM growth (4% p.a.)¹
- Accelerating adoption of ESG
- Global shift from DB to DC
- Demographics / ageing

UK DC
market leader

UK LDI
market leader

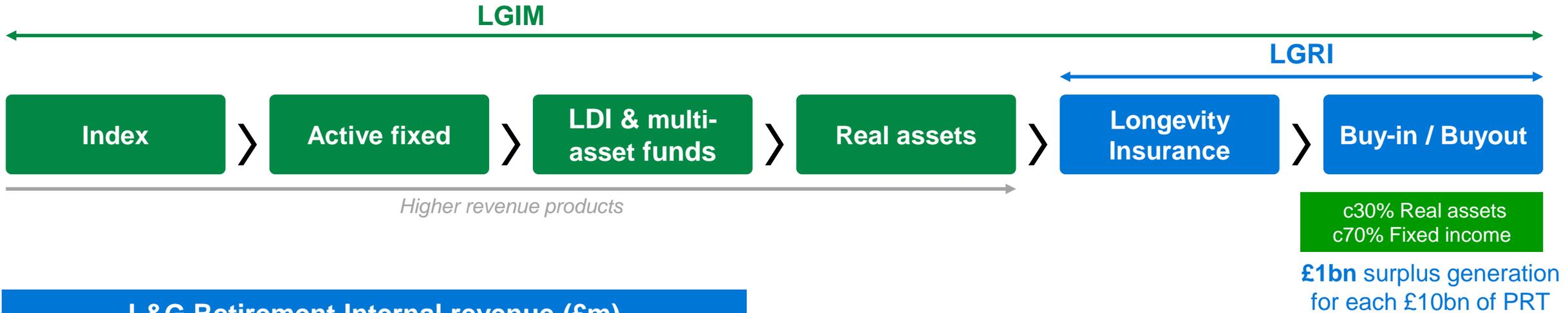
115,000
stewardship votes
in 2019²

84%
Revenues from
3rd parties

31%
International
share of AUM



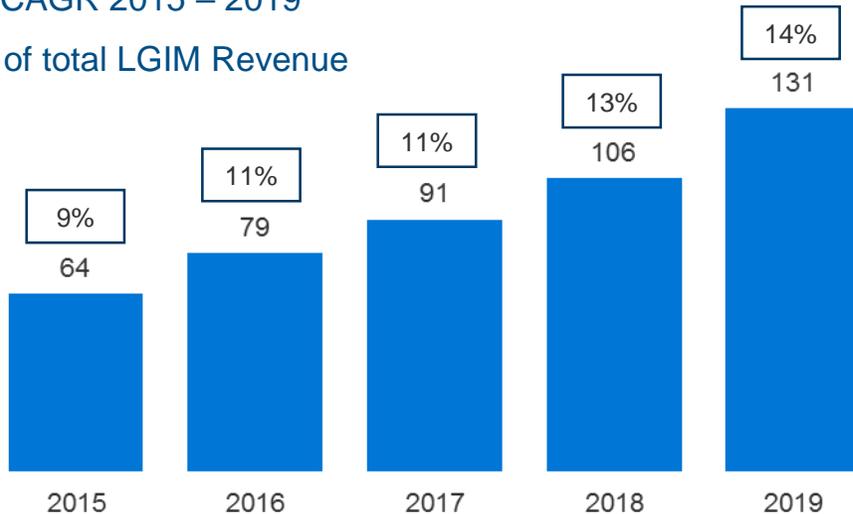
LGIM is both a strong enabler and beneficiary of LGRI growth



L&G Retirement Internal revenue (£m)

20% CAGR 2015 – 2019

□ % of total LGIM Revenue



Enabler

With high market shares in Index, Active Fixed and LDI, LGIM acts as an important enabler for LGRI: e.g. in 2019, 97% of UK PRT premium transferred from LGIM clients.

Beneficiary

Once they can afford a bulk annuity, most LGIM clients choose LGRI, meaning AUM remains within LGIM.

L&G has two profit sources from PRT:

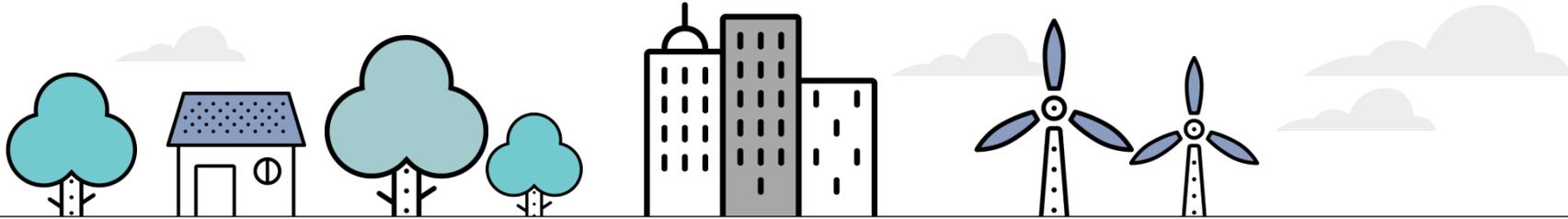
1. LGRI profits from bulk annuities
2. LGIM asset management fees for LGRI assets

We are driven by a clear sense of purpose

Our purpose is to create a better future through responsible investing



Strong alignment to Group culture of Inclusive Capitalism



Supported by our culture and rooted in three principles:

- **Partnership:** We work with our clients to achieve positive long-term outcomes
- **Expertise:** We have industry-leading expertise that draws strength from diversity
- **Responsibility:** We are a responsible investor, rising to the challenges of a rapidly changing world

Stakeholder model

We have a responsibility to many stakeholders. When we allocate capital, we conduct extensive research into potential **environmental** and **societal outcomes**

Financial materiality

We believe ESG factors are financially material. Responsible investing is essential to mitigate risks, unearth investment opportunities and **strengthen long-term returns** for clients

Positive outcomes

We strive to effect positive change in the companies and assets in which we invest, and for society as a whole. To us, this means **active ownership** and **engagement** through **stewardship** and **cross-asset research**

Financials

LGIM plans to reprove businesses for lack of climate change action

ATTRACTA HOONEY

Legal and General Investment Management is set to warn 500 companies to do more to tackle climate change or risk being named and shamed, in an escalation of a long-running environmental campaign by the UK's largest asset manager.

The \$1.5tn fund house has created publicly available climate ratings for over 1,000 companies, a more than 10-fold increase in the number of targets since LGIM started pushing its global warming engagement campaign in 2016.

When companies fall short of meeting its minimum standards, including lacking comprehensive disclosure of emissions or key sustainability certifications, LGIM said it would use its vote at annual meetings or potentially sell out of the stocks in some funds.

It is also calling for companies to set "net zero" targets to reduce carbon emissions.

"We want to help steer companies and our clients towards success in a low-carbon world," said Michelle Scringeur, LGIM chief executive.

Having ranked the 1,000 companies, LGIM is writing to the half that it has concluded are lagging on the question of addressing climate change.

A combination of its size and being an early advocate on the climate change issue, means LGIM wields significant influence with both publicly traded companies as well as rival asset managers who closely watching its strategy.

Since LGIM first made its so-called cli-

Strategy: We will deliver a phased, overlapping growth strategy

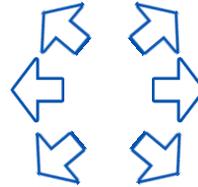
LGIM will be a global asset manager, operating at scale in core markets, with a sustainable, diversified revenue stream, valued and respected by clients and employees

Modernise



Lay the foundations for continued global growth. Invest in people, organisational structure and operating platform

Diversify



Leverage opportunities adjacent to existing core capabilities. Innovate and create more solutions for our partners

Internationalise



Seek selective opportunities in new markets and channels where we see scope to innovate or disrupt

Focus

Execution

Accountability

Modernise: We are laying the foundations for global growth

We are modernising our leadership, client service, operating platform and brand

- New global leadership team
- Restructured operations
- Enhanced governance
- Focus on risk / systems



- LGIM global brand relaunch
- Worldwide responsible investing campaign

Leadership

Client

Brand

Operating platform

- Satisfied clients fuel our growth
- Investment in service quality and CX

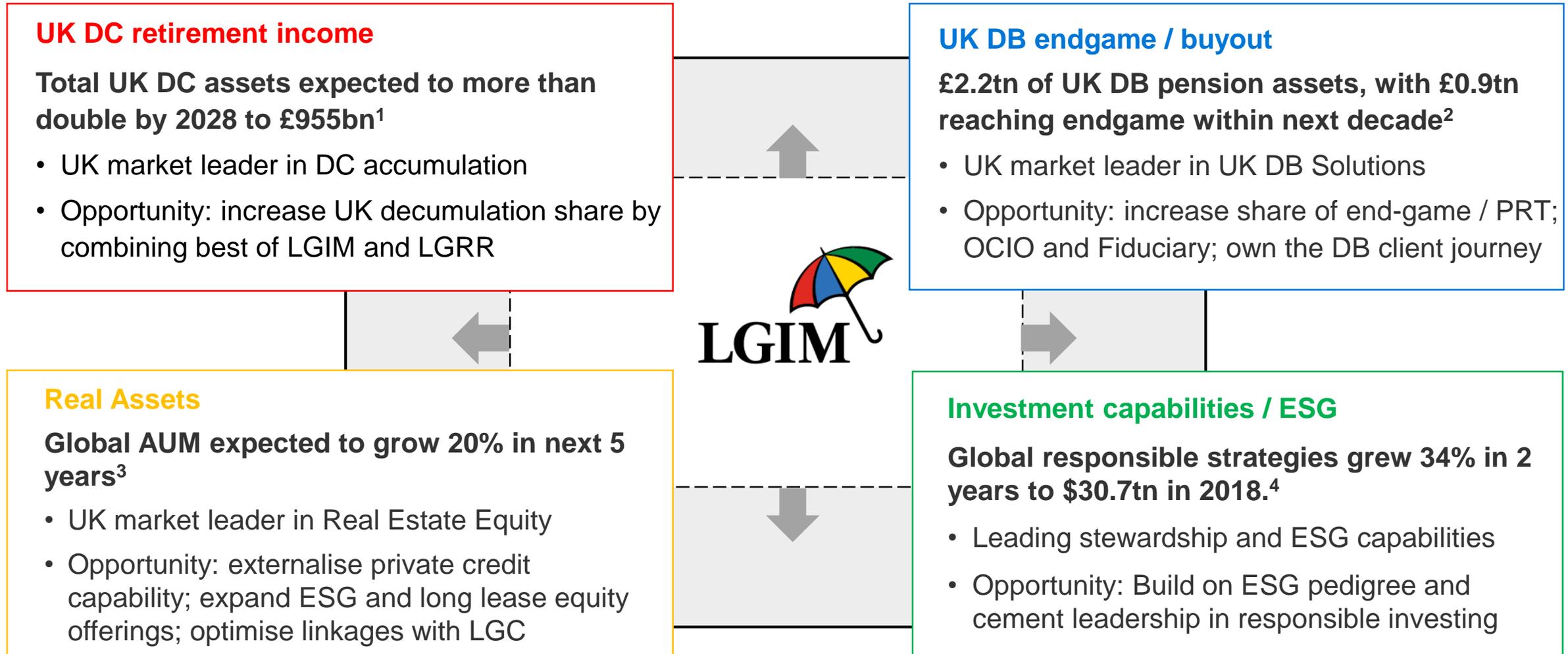


Overall UK Institutional IM Service Quality winner 2020

- Investment in tech / digital
- Scalable global operating model
- Brexit ready

Diversify: We are broadening and enhancing our offer to clients

A client-centred approach to growth, targeting adjacent areas of market opportunity



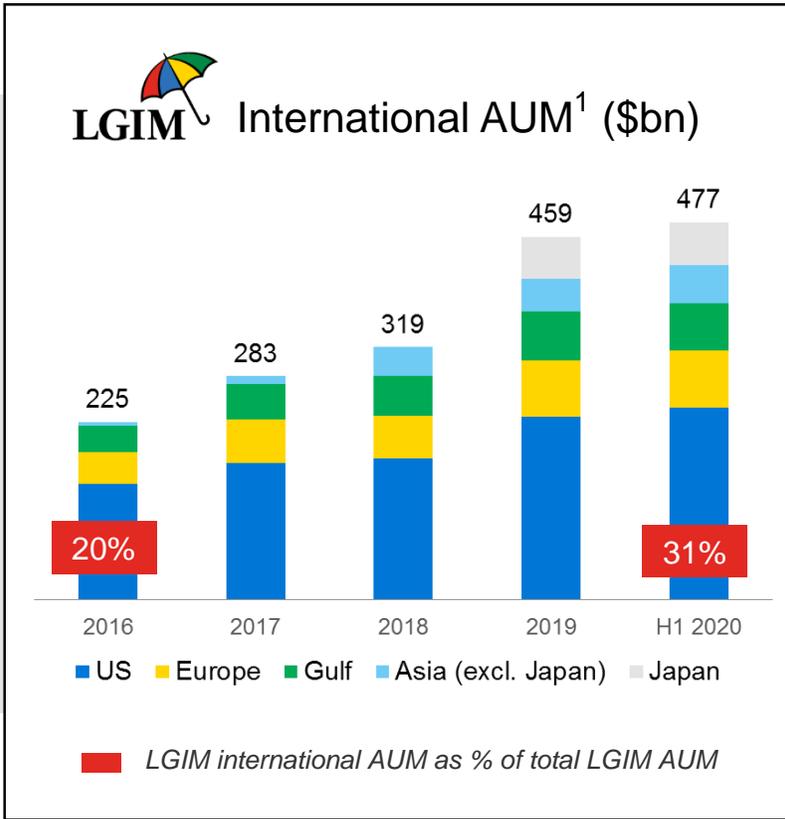
Internationalise: We are selectively extending our global reach

LGIM will be a disruptor in countries where our strengths align to client needs

▶ Build on overseas presence and capabilities

▶ Institutional-led, omni-channel growth

Europe: Expand into wholesale. Aim to be a leading non-domestic asset manager in EU by 2025



US: Innovate in emerging retirement income market

APAC: Broaden and deepen in SE Asia markets; leverage partnerships

1. International AUM is presented on a Managed view and based on 30 June 2020 spot FX rates.

LGIM is well placed to seize the global market opportunity

A global asset manager of scale and stature; diversified capabilities aligned to high value growth trends; driven by a strong corporate culture and purpose

Opportunity

Worldwide AUM \$89tn, set to increase to \$106tn by 2024 (4% CAGR)¹

The reasons LGIM will win:

- Well positioned vs. key industry trends / structural growth areas
- Competitive differentiation through purpose, culture and strong commitment to client service²
- Highly cash generative and capital light business
- Enabler / beneficiary of LGRI growth

Strategy

A three-phased overlapping growth strategy. Ambitious, actionable pillars:

1. **Modernise** – Lay the foundations for global growth. Invest in people, organisational structure and operating platform
2. **Diversify** – Leverage opportunities adjacent to existing core capabilities. Innovate and create more solutions for our partners
3. **Internationalise** – Seek selective opportunities in new markets and channels where we see scope to innovate or disrupt

Ambition

- Grow cumulative profits at least in line with the Group's dividend growth rate, absent market shocks
- Grow AUM in international and higher margin product lines
- Diversifying by client, channel and geography
- Maintain a CIR in the high 50 percent range over the next 2-3 years as we invest for growth, after which we expect it to trend downwards

Purpose: To create a better future through responsible investing

L&G Capital: Alternative Assets

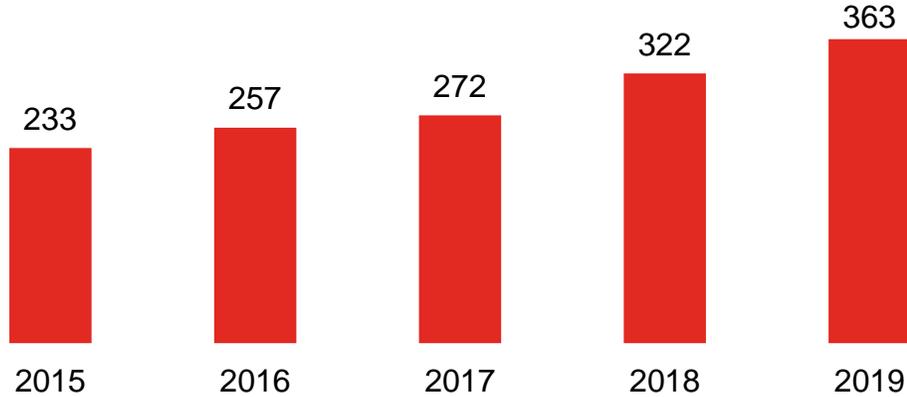
Kerrigan Procter
LGC Chief Executive Officer

L&G Capital: Alternative Assets overview

LGC is Legal & General Group's alternative asset platform, creating assets for shareholder funds, LGR and third party clients

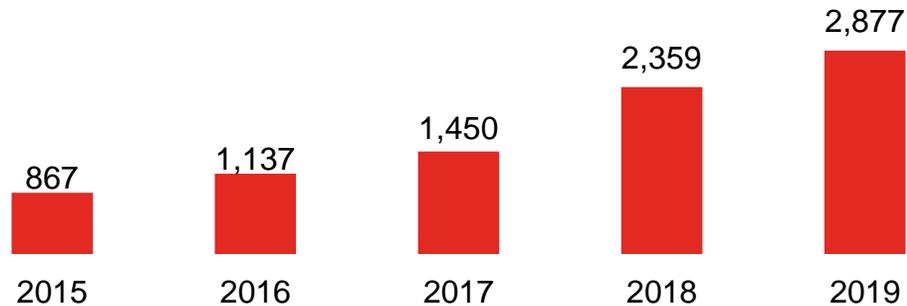
Operating profit¹ (£m)

12% CAGR



Alternative Assets AUM (£m)

35% CAGR



Sectors

£7.0bn of shareholder assets¹, including £3.0bn of alternative assets in:

- **Specialist commercial real estate**, including urban regen and science & tech-focussed real estate
- **Clean energy**, including renewable infrastructure, clean tech
- **Residential property**, diversified across build-to-sell, build-to-rent, later living and affordable
- **SME growth equity**
- **Alternative credit**

Strategy and ambition

- Purpose: Investing society's capital for society's benefit, create assets to back pensions (notably LGR and LGIM clients), and to invest our shareholder funds to achieve more attractive risk adjusted returns
- Ambition: Over the next 5 years:
 1. Grow our diversified alternative assets AUM to up to c£5bn (H1 2020: £3.0bn), delivering a target blended portfolio return of 8% to 10%
 2. Add £10bn+ of 3rd party capital AUM, invested directly and via acquired bolt-ons, and asset creation for LGR

Purpose: Investing society's capital for society's benefit

Responsible investment: Three journeys to one destination

World changing investments

Leading the charge in investing in our social, environmental and economic ecosystem, while providing ESG opportunities to LGR and LGIM clients



1

Our journey to net zero

We invest in SME scale-ups that are delivering the game-changing innovation, renewable technology and momentum needed to meet our UN SDG-aligned public targets and decarbonise our economy. Our scale and long term approach allows us to embed long-lasting economic and social change.

Opportunity: \$130tn global investment needed to 2050¹



2

Our journey to a better society

We have put £26bn into direct investments, including many significant energy, urban transformation, later living, housing and research projects that create jobs, change lives and contribute towards a net zero carbon future.

Opportunity: Address the UK's £500bn infrastructure deficit



3

The journey to responsible business

Responsible investing means that we design our products and customer centric services to support our journey to net zero and embody our purpose. Investing responsibly means that we support the sustainable businesses of the future.

65% increase in L&G's later living business' net promoter score (customer satisfaction) in 2020; significant in light of Covid



Strategy: Building alternative asset capabilities and leveraging third party capital

LGC has been successful in building alternative asset capabilities already – but we plan to continue developing capabilities in a three-pronged strategy:

1. Investments focusing on high velocity asset creation
2. Continued innovation to broaden and deepen LGC's product offering
3. Sustainability embedded in investment activities

Ambition: Invest up to an additional £2bn of L&G capital in alternative assets in the next 3 to 5 years

With the alternative asset capabilities we have succeeded in creating, the next step in LGC's development is to attract and leverage third party capital to deliver:

- Earnings growth in LGC without equivalent increase in asset exposure
- Regular cashflows to provide greater liquidity
- A greater volume of assets created for LGR that fit well with the Group's structural growth drivers
- Operational businesses and capabilities that can endure beyond the defined benefit run-off

Ambition: Add over £10bn of 3rd party capital AUM, invested directly and via owned or part owned boutiques, and asset creation for LGR



Strategy: Alternative asset capabilities

Creating world leading partnerships to **accelerate growth**, we have c£1bn invested in **15 UK towns and cities**

Developing world-class **Sci-tech innovation districts** and diagnostics infrastructure with Bruntwood

Scaling our climate & energy portfolio across low-carbon heat, transport, and power to create value and address climate change

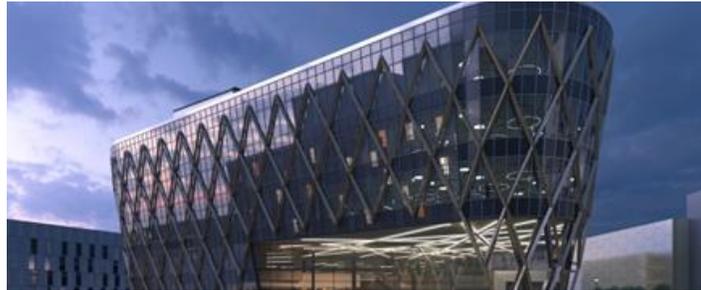
Building a **diversified housing platform** that helps to meet the UK's social, economic and housing needs

Supporting **UK innovation and growth businesses**, investing in the real economy through alternative credit and venture capital

Leveraging policyholder financing and shareholder assets



Bruntwood Sci-tech – Manchester



Newcastle Helix



Affordable Housing – London, Wembley



NTR – 40 years of investing in and managing infrastructure assets



Inspired Villages



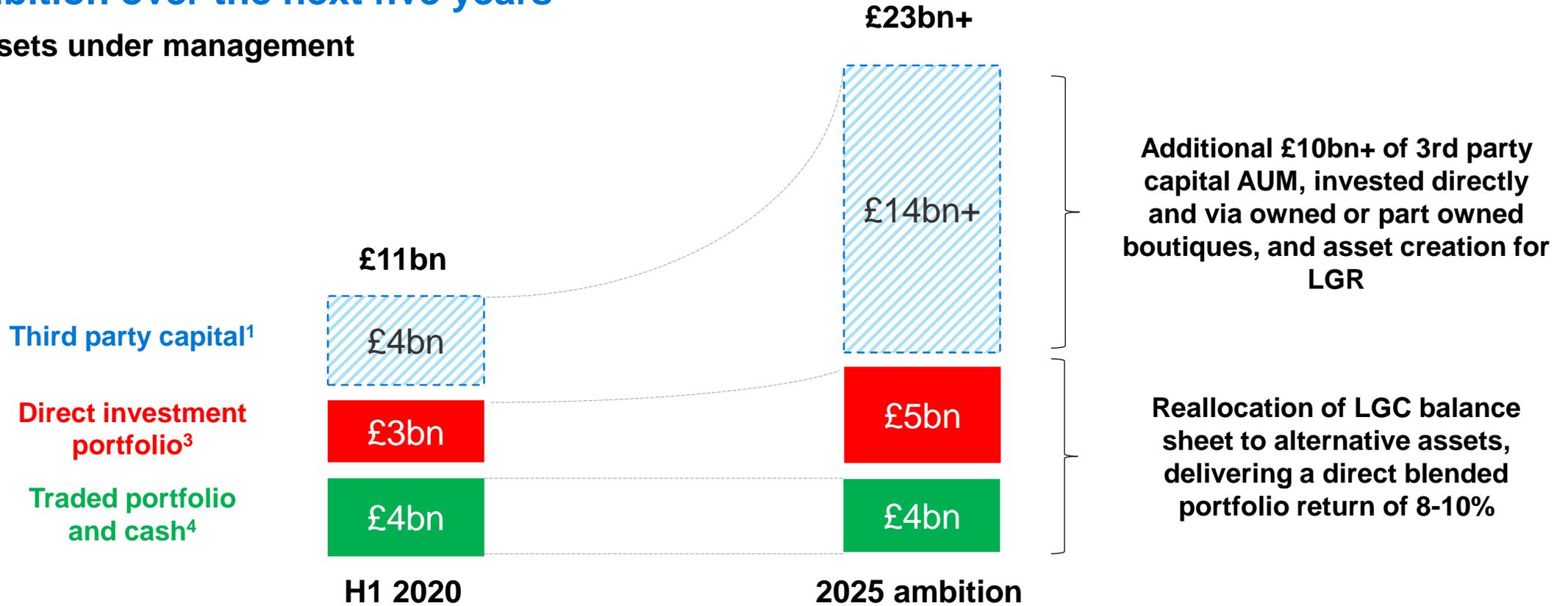
Pod Point – European Electric Vehicle Charging business, partnered with EDF

Strategy: Accelerating our third party investment strategy

LGC’s historic focus has been on investment of the Legal & General balance sheet and creating an asset pipeline for LGR and LGIM. We see opportunities to bring in external capital to deliver greater societal impact

Our ambition over the next five years

LGC assets under management

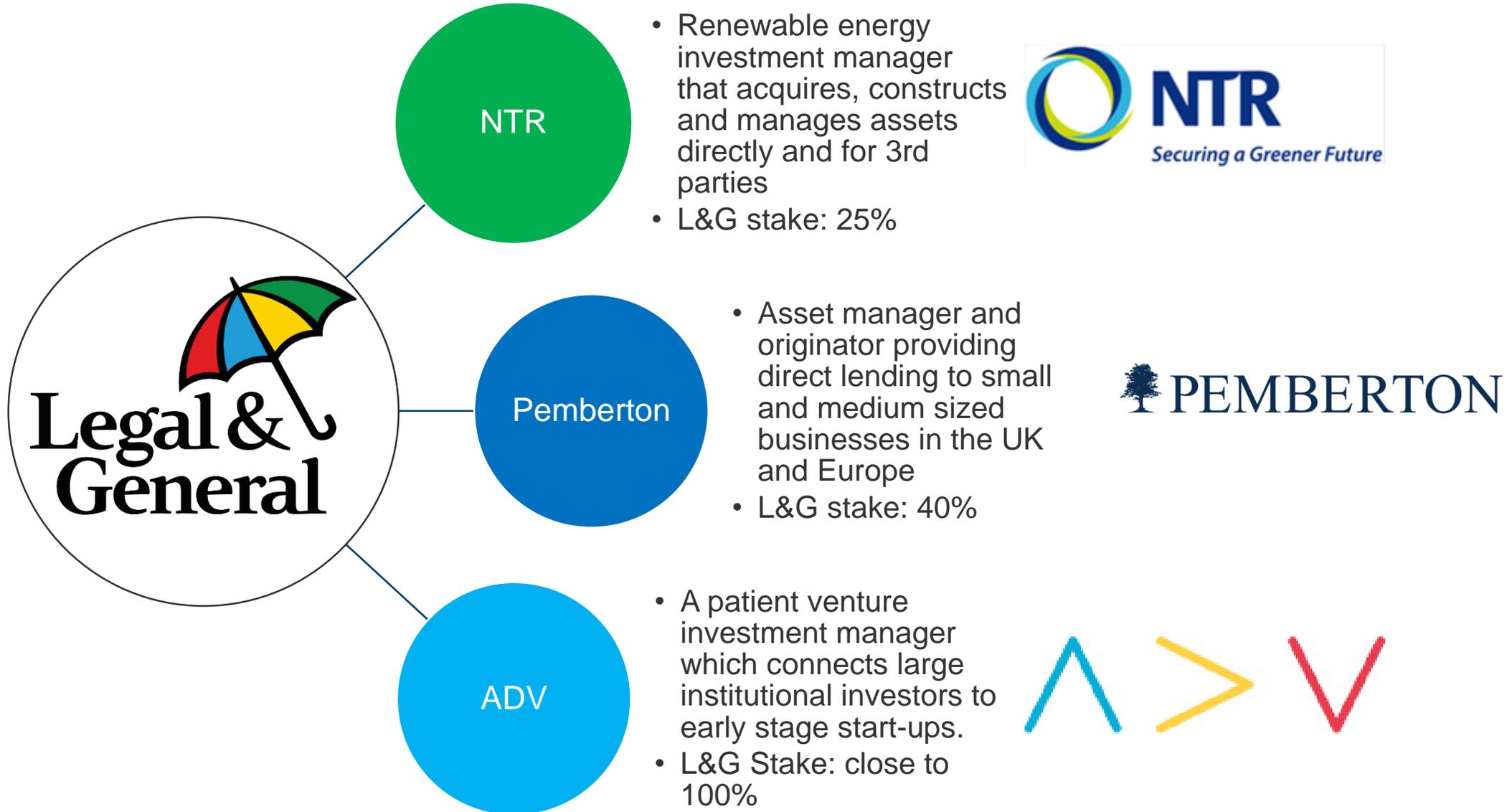


1. Total third party capital comprises i) total AUM of GPs in which LGC has a stake and ii) Gross Asset Value of real assets developed by LGC-run businesses (e.g. Affordable, Later Living). LGC's direct investment stakes have been deducted. Third party capital of our JV partners is also excluded from this analysis.
2. Of the c£10bn+ growth in third party capital, we assume growth in Pemberton fee-earning AUM of c.£5bn+
3. Direct investment portfolio presented at NAV
4. Traded portfolio and cash includes traded assets managed by LGC and LGR. Treasury assets of £2bn as at H1 2020 are excluded.

Strategy: Growth across all alternative asset capabilities

Asset class	H1 2020	2025 ambition	Investment sector	Access to External Funding	LGR Asset Creation	Example assets
Specialist commercial property	£0.7bn	£1bn+	Urban development	✓	✓	Oxford University, MediaCity
			Sci-tech real estate	✓		Bruntwood SciTech
			Data centres	✓		KAO
Clean energy	£0.5bn	£2bn+	Renewable infrastructure	✓	✓	NTR
			Clean tech	✓		Pod Point
Residential	£2bn	£5.5bn+	Affordable	✓	✓	Wembley
			Later living	✓		Inspired Villages
			Build to Rent	✓	✓	Walthamstow
SME Growth Equity	£0.2bn	£1bn+	Venture Capital	✓		ADV, Syncona
Alternative credit	£4bn	£9bn+	Alternative credit	✓		Pemberton
Traded portfolio and cash	£4bn	£4bn	Traded portfolio and cash	n/a	n/a	Listed equities, Cash
Total	£11bn	£23bn+				

Strategy: Leveraging third party capital through stakes in multiple boutique funds

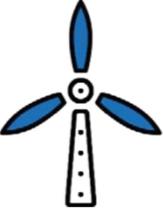


Opportunity: Grow AUM, Climate & Energy investment

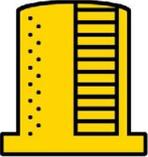
Investing in SME scale-ups and platforms that are delivering the game-changing innovation and momentum needed to decarbonise our economy

Identifying value creation from addressing climate change

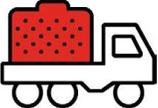
Opportunity



Produce
Wind
Solar



Connect
Smart networks
Power storage



Consume
Cities
Homes
Electric vehicles

Power

Heat

Transport

\$130 trillion investment to 2050 in order to achieve zero emissions¹

£1.4bn in Group clean energy investments





Kensa Heat Pumps
A KENSA GROUP COMPANY

VC investments hydrogen

Digital technology battery storage

Smart heat and power networks

Charging infrastructure



OXFORD PV™
The Perovskite Company

L&G development of 154 energy-efficient modular homes in Selby, North Yorkshire.

CALA uses air-source heat pumps and photovoltaics




Inspired Villages uses electric vehicles and charging points

Asset stories: Investing in electric vehicle infrastructure

Profile of our investment in Pod Point, the electric vehicle charging infrastructure business backed by EDF

L&G's investment strategy

- L&G took a 13% stake in Pod Point in February 2019 to access and help scale the electric vehicle (EV) charging infrastructure market ahead of the anticipated inflection in EV sales.
- Pod Point's growth since our investment has been significant, driven by increasing consumer interest in EVs.
- With the UK Government ban on sales of new petrol and diesel vehicles from 2040 at the latest, we anticipate further acceleration in demand.
- We increased our stake to over 22% in February 2020, forming a joint venture with EDF which acquired a majority stake.

Growth through partnerships

- Pod Point is scaling up rapidly to meet increased consumer demand for EVs
- Two high-profile strategic tie-ups providing commercial and operational support for Pod Point's strong growth:
 - 1. Investment by EDF**
As part of a plan to expand its European electric mobility business, EDF acquired a majority stake in February 2020. The combination of Pod Point's and EDF's consumer retail and operational service capabilities will mean customers, businesses, fleet operators and the public will be able to benefit from low carbon products and services for all their energy needs.
 - 2. Partnership with Tesco and Volkswagen**
Pod Point, Tesco and Volkswagen have teamed up to roll out charging bays at 400 Tesco stores nationwide by the end of 2020, and 600 longer term. The roll-out is financed by Triodos Bank, using an innovative debt structure, demonstrating a route to market for EV charging infrastructure investors.

Market growth since investment

17,000

UK battery electric vehicle sales
(Feb 2018-2019)

79,000

UK battery electric vehicle sales
(Sept 2019-2020)

Pod Point growth since investment

60,000

shipped charge points in UK and Norway
(to Feb 2019)

96,000

shipped charge points in UK and Norway
(to Oct 2020)

Asset stories: Investing in Oxford University Development

A 10 year, £4bn innovative partnership with the University of Oxford

L&G's 3-legged, asset-centric investment strategy



Creating attractive, long-term real assets for the Group

&

Enabling and accelerating Oxford's expansion

1,000

student housing units

1,000

subsidised rental units

2m sq ft

for science & innovation

- Creating affordable accommodation
- Retaining talent in the city
- Boosting the economy
- Driving innovation
- Supporting spin-out and scale-up businesses

Progress to-date

June 2019

£4bn partnership established

July 2020

Public consultation for redevelopment of graduate accommodation site at Court Place Gardens, one of the first major projects

October 2020

£200m funding of new Life and Mind sciences facility agreed



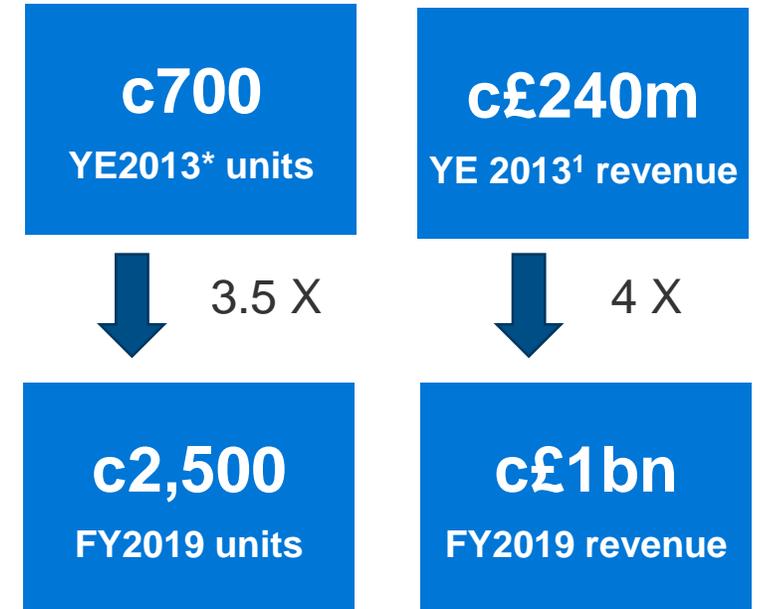
Asset stories: Investing in residential housing

Our housing platform is diversified by tenure, affordability and life-stage

History of L&G's Residential Housing platform

- **Mar 2013** – 46.5% acquisition of CALA
Stake in a major UK housebuilder
- **May 2014** – CALA acquires housebuilder Banner Homes
- **Jan 2016** – launch of L&G's Build to Rent business
Established as co-investment vehicle with Dutch pension business
- **Feb 2016** – launch of Modular Homes business
- **Aug 2017** – acquisition of Later Living business
Establishment of Inspired Villages Group
- **Mar 2018** – acquisition of 100% of CALA
Further expansion of our stake in CALA to 100% ownership
- **April 2018** – launch of Affordable Housing
- **Nov 2018** – launch of second Later Living business
Establishment of Guild Living as an urban retirement village provider
- **Jul 2019** – launch of rental offer at later living communities
- **Nov 2019** – affordable business partners 14 housing associations
- **Feb 2020** – affordable business completes first LGR deal
£100m financing backed by Pension Risk Transfer business
- **Mar 2020** – net zero carbon commitment across housing portfolio

CALA's 7 Year growth transformation



L&G Capital: Alternative Assets

Investing shareholder capital and building an alternative asset pipeline for LGR and 3rd party investors

Opportunity

- Clean Energy: \$130 trillion investment is needed by 2050 to reach zero emissions
- UK Infrastructure: £500bn deficit
- UK Housing: at least 300k homes needed, but only c170k homes currently being built p.a.
- UK SMEs: Finance gap to fund the 21,000 growth economy companies

Strategy

- Investing society's capital for society's benefit. Creating assets to back pensions (notably LGR) and investing our shareholder funds to achieve more attractive risk adjusted returns
- Building an alternative asset creation platform and leveraging third party capital, to invest client funds directly and via acquired boutiques

Ambition

Over the next 5 years:

- **Grow our diversified alternative assets AUM to up to c£5bn (H1 2020: £3bn), delivering a target blended portfolio return of 8% to 10%**
- **Add £10bn+ of 3rd party capital AUM, invested directly and via acquired bolt-ons, and asset creation for LGR**

Insurance

Bernie Hickman
LGI Chief Executive Officer

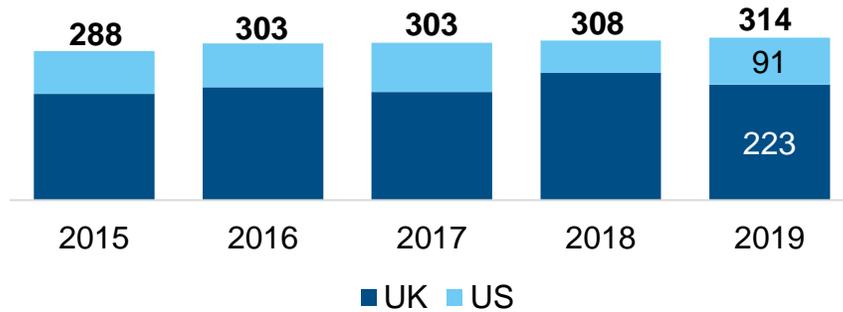
Legal & General Insurance (LGI) overview

Delivering growth by adopting the best approaches from the best tech companies

Operating profit (£m)¹

Total: 2% CAGR

CAGR

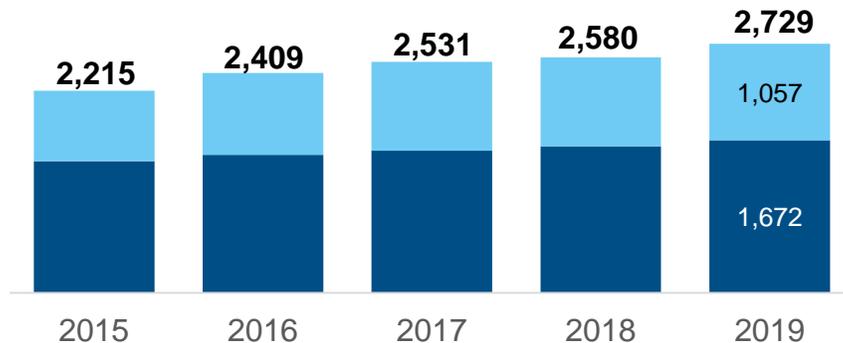


2%

2%

Gross premium revenues (£m)

Total: 5% CAGR



8%

4%

Markets

- **UK retail protection:** £6.2bn market | #1² | 22% share³
- **US term life:** \$27bn market⁴ | #7 | 4% share⁵
- **UK group protection:** £2.5bn market | #4 | 14% share⁶
- **Fintech:** accelerated growth in market adjacencies
 - Salary Finance: #1 workplace financial wellbeing platform (UK); now in US, reach of 3.3m employees
 - L&G Mortgage Club: #1 broker platform, involved in 1 in 5 mortgages
 - L&G Surveying: #1 surveys/valuations, arranging half a million per year

Strategy and ambition

Strategy:

- Delivering growth by adopting tech company best practice to transform insurance, distribution and adjacent markets
- Provide longevity hedge for annuities while creating capital and operational synergies for Group

Ambition: Over the next 5 years...

- Sustain UK market leadership; single-digit revenue growth
- More than double US new business premiums to £200m (2019: £89m)
- Deliver double digit growth for fintech businesses

1. LGI results adjusted to exclude profits generated by Legal & General France and Legal & General Netherlands, which were disposed of in 2015 and 2017 respectively

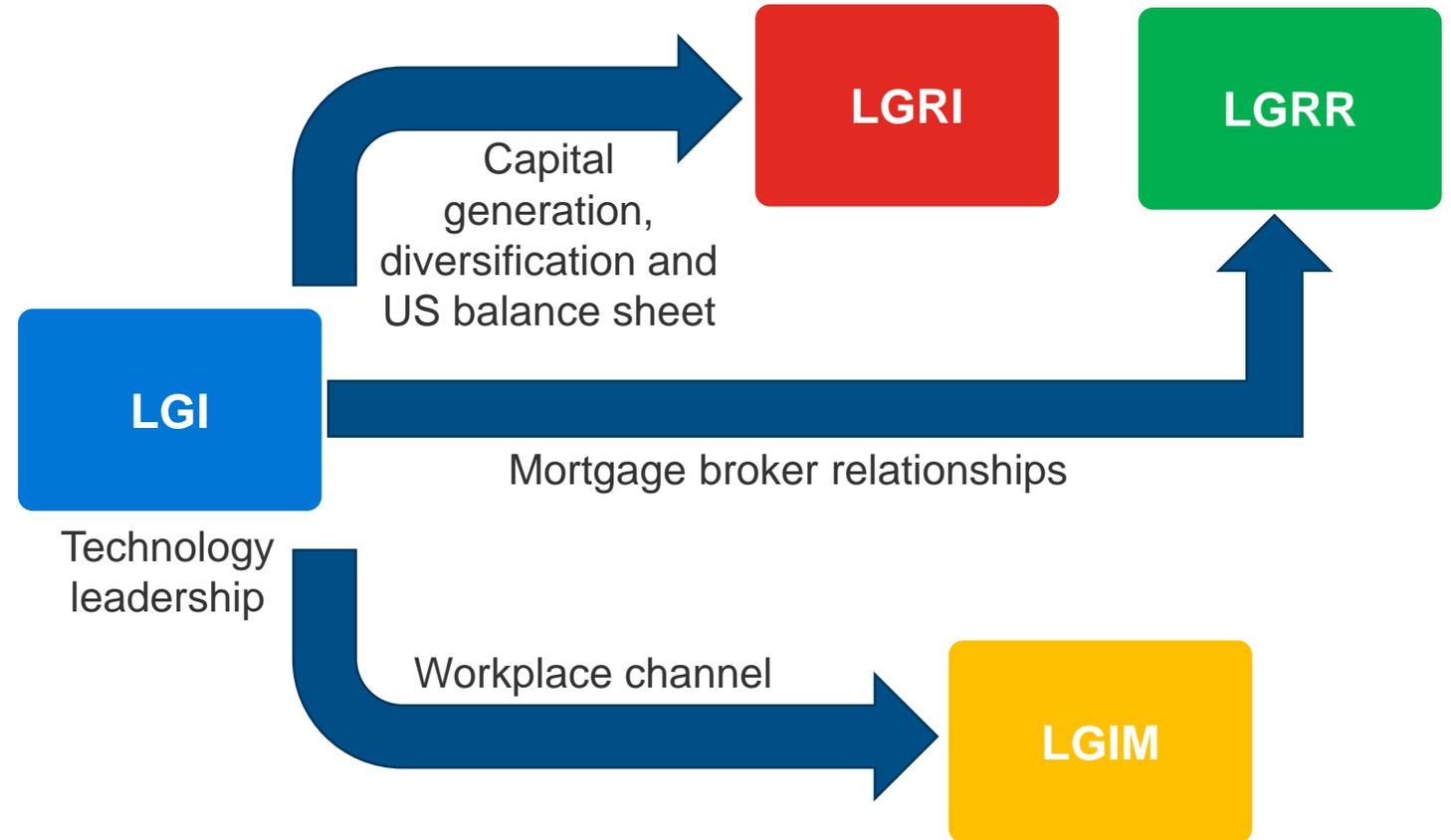
2. Swiss Re (2019); 3. ABI; 4. Internal estimate; 5. Limra ; 6. Swiss Re Group Watch

LGI provides Group-wide synergies

LGI delivers a hedge for longevity whilst creating capital, operational synergies for the Group and delivering tech leadership

Synergies

- LGI provides significant Solvency II benefits by partially offsetting new business strain in LGRI and LGRR
- US business facilitates LGRI's US PRT transactions through their balance sheet
- LGRR benefits from mortgage broker relationships through L&G Mortgage Club
- **The synergies within our businesses drive profits and fuel future growth**



Strategy and ambition: Delivering growth by adopting tech company best practice to transform insurance, distribution, adjacent markets

Digitisation sustains market leadership in the UK, widens distribution in the US and provides for opportunities in adjacent markets, increasing profits

Core strategies

Plans and ambition



Transform insurance businesses via technology and data analytics

- Further improve digital efficiencies in UK retail protection
- Digitise Group Protection capabilities
- Apply UK insights to even bigger US market opportunity
- **Ambition: Sustain market leadership through technology**



Digitise and diversify distribution

- Target unmet consumer needs – Income Protection, Generation Rent
- Reinvent Group Protection with Salary Finance
- Expand US distribution and broaden products
- **Ambition: Grow US annual new business premiums to £200m**



Transform adjacent markets

- Expand Salary Finance offer into US; grow further in UK
- Digitise the analogue mortgage lender market
- Targeting net zero emissions across UK housing stock
- **Ambition: Deliver double digit growth for fintech businesses**

Transform insurance: Using technology to grow our UK market leading position and sustainable competitive advantage

Tech and data analytics are relentlessly used to improve our business, to enhance our customer experience and to grow profit margins

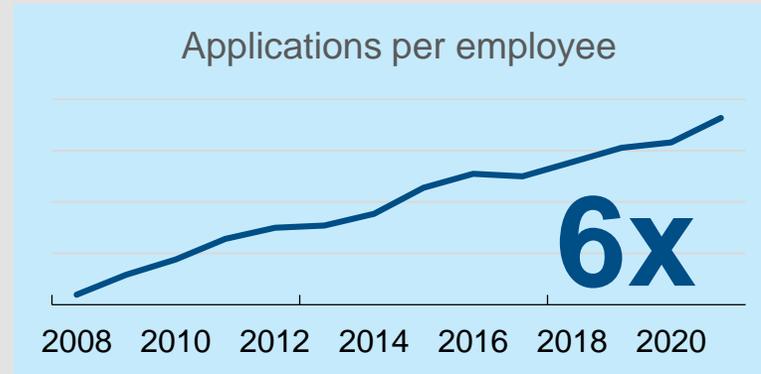
Transformation

Market leading digital underwriting rate

83%

Straight-through processing vs market average 66%¹
2021 target: 90%

Six-fold efficiency gains



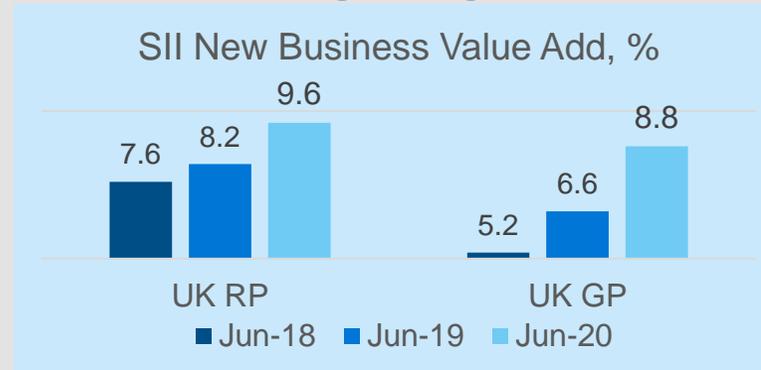
Multiple competitive advantages

- **Strong distribution relationships** across multiple channels
- Market leading products **at affordable prices**, frequently optimised
- Deep **underwriting expertise** with market leading automation driving **high conversion rates**
- Relentless **risk management focus** and expertise delivering lower claim costs
- **Scale and efficiency** delivering low unit costs
- A **trusted** brand with customers and advisers
- **Easy to use** new business platform

Exiting poor quality business



Growing margins³



1. Market average Scor (2018) 2. Cumulative business revenues terminated as poor quality e.g. by 2020, £20m of income has been annulled.
 3. Solvency II New business value add, half year margins, as per L&G Group financials

Result: Enhancing shareholder returns with consistent new business profit growth

Transform insurance: Using technology to grow our UK market leading position in retail and group protection

Multiple growth opportunities, capitalising on our market leadership...

A large market...

£8.7
billion

UK in-force premium revenues¹

with growth potential...



c50%

mortgages – no life cover

c85%

renters – no protection cover²

Demonstrable potential

- A **large and growing** market with over 2m transactions each year
- **Growth through** addressing protection market **gaps**, e.g.
 - Rental market opportunity worth **£410m annual revenues**
 - Income protection **up 20% YOY**
- We **lead in retail distribution** across key channels
- Our Group Protection business is **scaling fast**, with **20% share** H1

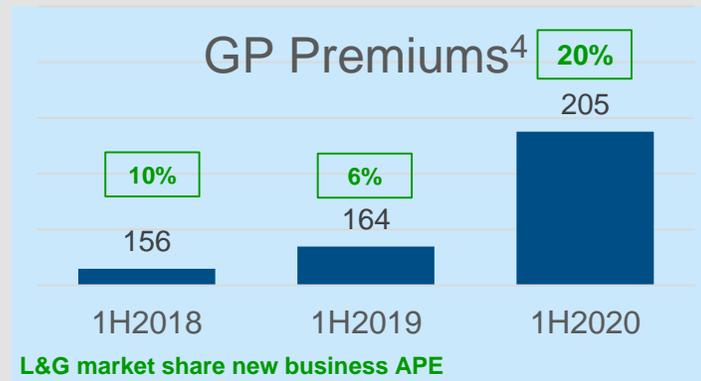
A market-leading, highly efficient digital life insurer, targeting mid-single digit growth in revenues

Leveraging market leadership

Term insurance	#1
Critical illness	#1
Income protection	#2

UK market position 2019³

Growing Group Protection



Opportunity & growth

Digitise and diversify: The US is a largely analogue market where we are digitising at pace to grow our market share

With over 840 life companies and a predominantly physical medical evidence approach, we are applying our UK digital first approach to win in the US

A fragmented life assurance market



L&G can win by offering competitive pricing, supported by:

1) Improved cost base

Horizon

Investment applies our winning UK playbook to the US

Digitising distribution, automating processes

2) Improved customer service

19 day

reduction in underwriting decision time

We are half way to realising our ambition, with 34% of cases currently digitally underwritten

Digitising at pace and scale

- A fragmented, mostly analogue market, heavily intermediated
- **Improved service and competitive pricing** through process efficiencies
- We're applying UK tech/analytics – we are creating a market-leading new business platform: **Horizon**
- We expect Horizon to deliver **meaningful growth benefits** from 2021
- Expense ratios **20% below** median
- **Net Promoter Score 72** (exceptional)

Digitise and diversify: We are targeting growth in a wider range of distribution channels enabled by a best in market technology platform

We will expand product reach beyond term life to enable further growth

A large market...

\$27
billion

US in force premium revenues 2019¹

that has further growth potential

\$500
thousand

Incremental cover required per household²

& the opportunity to grow share...

All term insurance	#7
Brokerage channel	#2
New business by volume	#1

US market position Q2 2020³

2025 US new business revenue ambition

£200
million

10%+ CAGR growth

Positioned for rapid growth

- We are a **term insurance** carrier distributing via **the broker channel**
- **Opportunity to grow market share** (currently **\$1.4bn**) in a **large \$27bn** market
- **\$44bn²** incremental market protection gap
- Further growth through developing **new products and channels** to meet consumer needs

A digital first approach leading to a double digit growth target

£200m new business ambition

Opportunity & growth

Transform adjacencies: Our Fintech businesses are swiftly scaling

We are transforming markets adjacent to our core businesses through select investments in Fintechs, including L&G Mortgage Club, the UK's leading mortgage broker platform; L&G Surveying, the UK's leading digital survey business, and Salary Finance, the UK's leading financial wellbeing platform

Fintech case study: Salary Finance



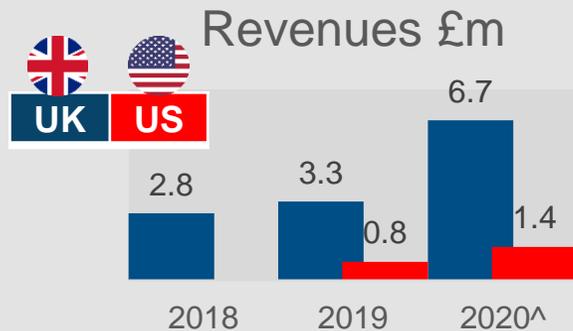
“ FinTech Salary Finance acquires Neyber, creating UK's largest financial wellbeing platform ”

Productivity days lost¹

25-34

Caused by poor financial wellbeing

Accelerating growth¹



Includes Neyber acquisition

Introducing Salary Finance

- A financial wellbeing platform
- Salary Finance partners with employers to provide loans, advances, saving and financial education
 - Employees benefit from higher acceptance, lower interest rates
 - Employers benefit from reducing days lost to poor financial wellbeing
- Salary Finance acquired competitor Neyber in H1 2020; #1 in the UK, now in US

With over 600 employers signed, since 2018, revenues have grown

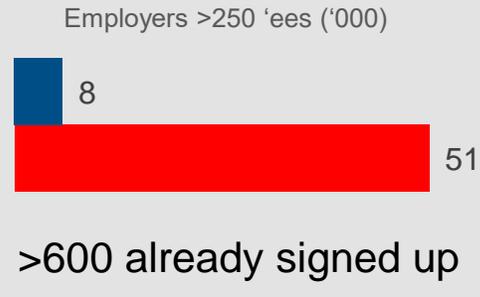
3x

Transform agencies: Salary Finance scaling fast

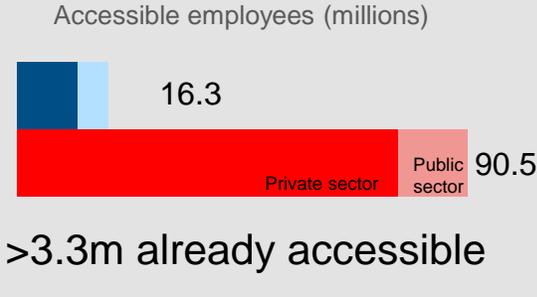
Significant growth potential in the UK, US and beyond

Fintech case study: Salary Finance Accelerated growth

Employer potential¹



Employee potential¹



Enhanced proposition

<p>Life cover £480,000.00</p> <p><small>A pay-out in the event of your death while you're an eligible employee of Legal & General.</small></p> <p style="border: 1px solid #ccc; padding: 5px; width: fit-content; margin: 0 auto; color: red;">Find out more</p>	<p>Income protection £26,000.00</p> <p><small>Cover for a regular income if you are unable to work for a prolonged time due to a qualifying illness or injury while you're an eligible employee of Legal & General.</small></p> <p style="border: 1px solid #ccc; padding: 5px; width: fit-content; margin: 0 auto; color: red;">Find out more</p>	<p>Critical illness cover £96,000.00</p> <p><small>A pay-out if you are diagnosed with a specified critical illness while you're an eligible employee of Legal & General.</small></p> <p style="border: 1px solid #ccc; padding: 5px; width: fit-content; margin: 0 auto; color: red;">Find out more</p>
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High growth potential...

- Current employee reach: **>3.3m**
- Accessible number of employees UK/US: **>106m** in 59,000 firms
- Incorporating L&G Protect, a flexible Group Protection offer, that enhances Salary Finance's proposition, currently being trialled within L&G
- Committed investment and loan funding partners supporting rapid scaling in the UK, USA and beyond

**Potential to be a
UK-based Global Fintech leader**

Legal & General Insurance

Delivering technology leadership

Opportunity

- **UK Retail Protection:** £6.2bn market, #1 participant, with single digit revenue growth
- **UK Group Protection:** £2.5bn market, growth via broader tech enabled offering
- **US Retail Protection:** \$27bn market but largely analogue, room for material growth
- **Fintech:** scale up businesses in UK and US, hugely transformative with significant growth potential

Strategy

Deliver growth by adopting tech company best practice to:

- Transform insurance businesses
- Digitise and diversify distribution
- Transform adjacent markets

Ambition

Over the next 5 years:

- **Sustain UK market leadership with continued revenue growth**
- **Grow US new business premium revenues to £200m (10%+ CAGR)**
- **Achieve double digit growth for fintech business**

Retail Retirement Solutions

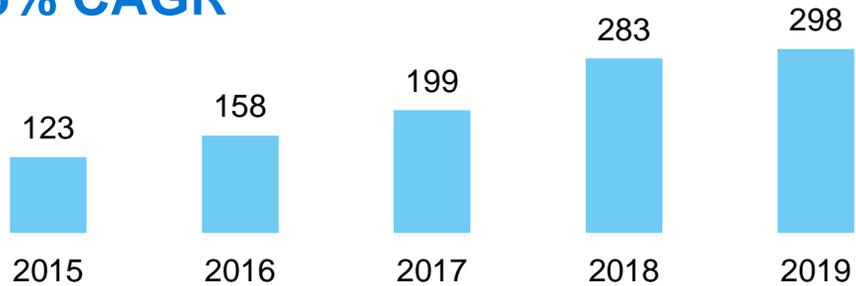
Chris Knight
LGRR Chief Executive Officer

Legal & General Retail Retirement (LGRR) overview

Helping UK individuals achieve financial security in retirement

Operating profit (£m)

25% CAGR



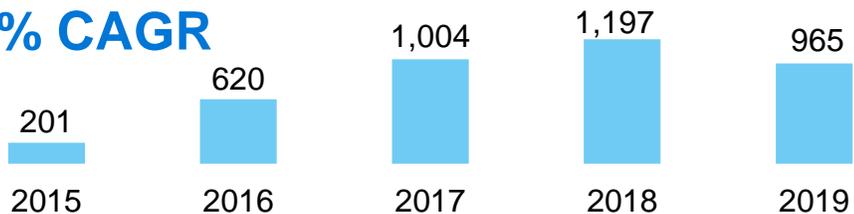
Individual annuity premiums (£m)

31% CAGR



Lifetime mortgage advances (£m)

48% CAGR



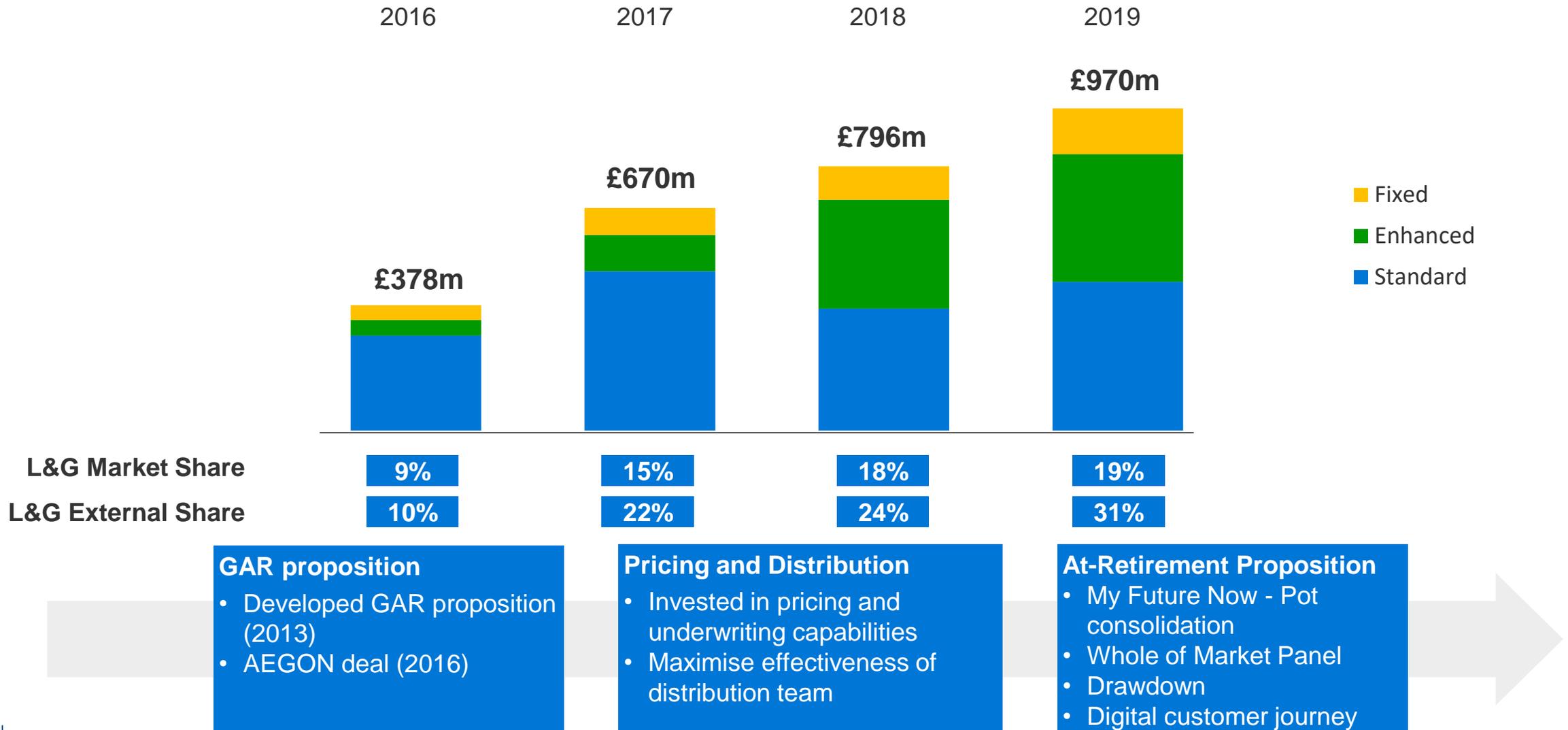
Products

- **A market leader** in UK individual annuities
- **A market leader** in lifetime mortgages
- **New ventures** in financial advice and care triage (from 2019)
- **Strategic investments**
 - Investment in the Health and Care sector, Care Sourcer, Current Health and Congenica
 - Investment in international retirement markets, Household Capital

Strategy and Ambition

- **Strategy:** Develop a comprehensive suite of products to meet all consumers retirement needs, including wealth, health and care
- **Ambition:** To be UK's leading retirement brand and, over time, to expand internationally

We have successfully grown our external annuity market share by investing in our core capabilities and people

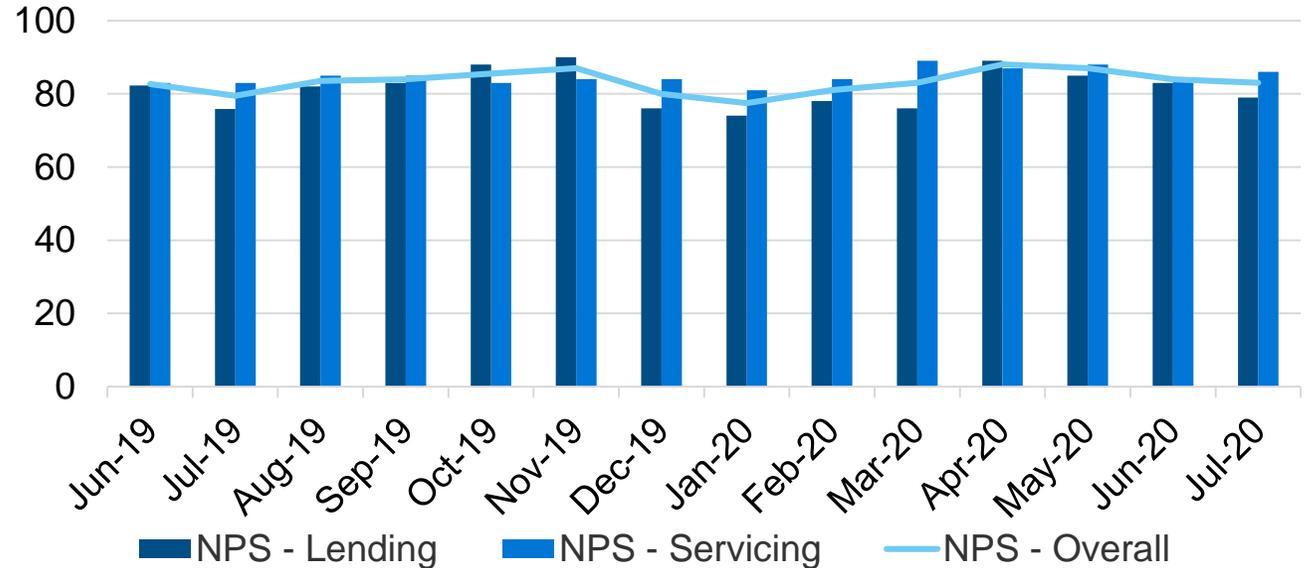


Our customers are highly engaged in and happy with the products and services we provide, including LTMs

2020 performance YTD

<p>+21,000 Customers have given feedback since 2017</p>	<p>+84 Net promoter score</p>
<p>90% Product Satisfaction</p>	<p>92% Overall satisfaction for origination journey</p>
<p>98% Satisfaction for Servicing</p>	<p>99% Confidence in customer service knowledge</p>
<p>32% Complaints in relation to delays and timescales</p>	<p><0.1% Average monthly complaints against total book</p>

Net promoter score



Further improvements planned in 2021

- **New servicing platform delivers more digital servicing options for customers**
- **Conveyancing process – Assisted Legal process will cut down end-to-end times for LTM**

Opportunity: Strong secular growth drivers

Accumulation assets: £400bn in UK DC accumulation assets, and this is expected to more than double to **£950bn by 2028**

Accumulation

Ageing population: 700,000 people will reach age 65 in the UK in 2020, rising to **900,000 in 2030**

Decumulation

Advice gap: **Less than 20%** of people approaching retirement take financial advice

Decumulation

Savings at retirement: **£40bn of non-DB pension savings** coming to retirement each year, of which **only £4.5bn is currently annuitised**

Decumulation

Housing equity: **£1.7tn of housing equity** is owned by the over 55's – of which only £4bn is being released per annum

Decumulation

Housing wealth: A quarter of this equity is represented by homes worth more than £1m each

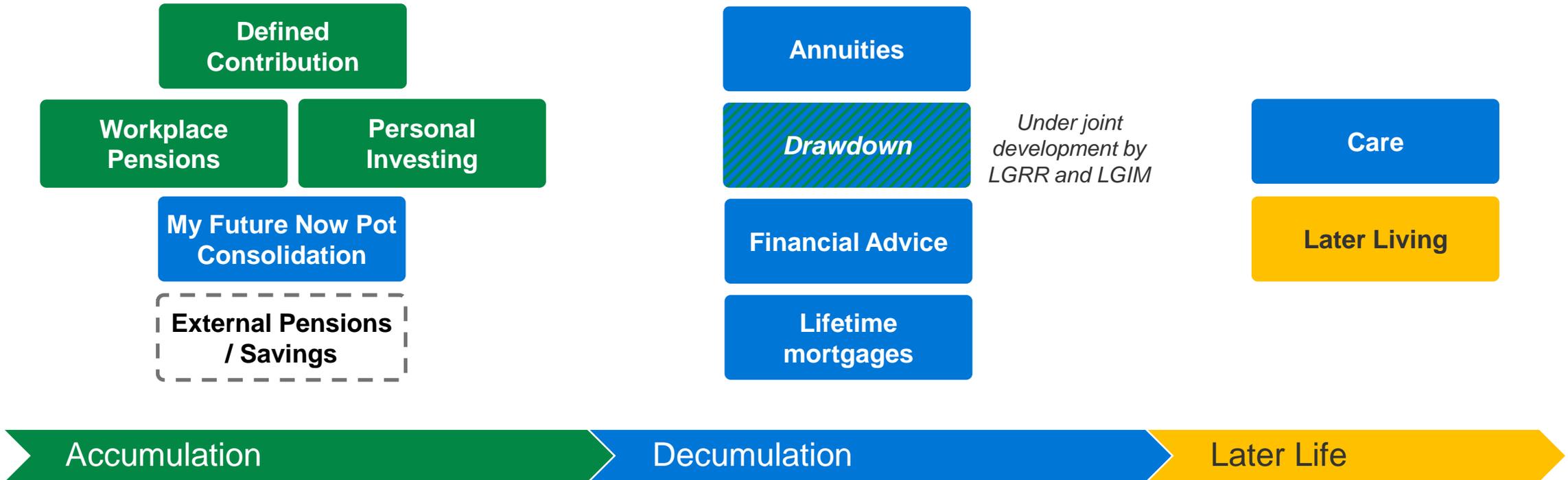
Decumulation

Growing care sector: **£20bn** is spent in the formal care sector each year and a further **£100-140bn** of informal care is delivered. Both are set to grow substantially as the population ages.

Later Life

Purpose: Help people achieve financial security in retirement

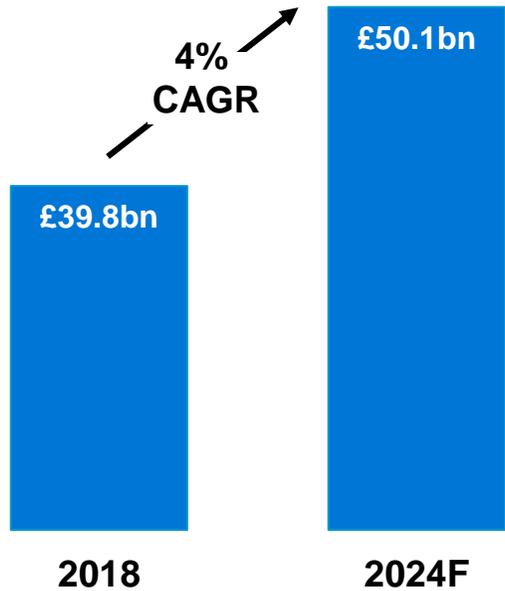
Working across the L&G Group, we can offer full end to end retirement planning. We plan to leverage this to further expand our retirement offering.



LGIM generates revenue from managing our assets throughout both the accumulation and decumulation stages of retirement
LGRR revenue generating activity from retirement income, lifetime mortgages and investments in care
LGC revenue generating activity through later living retirement villages

Opportunity: There is still huge opportunity for us to access a greater proportion of the £40-50bn p.a. Retirement Income flows

Total UK Non-DB Pension Savings “Retiring” per annum



2018 Flows

Annuities
£4.4bn

Income Drawdown
£28.5bn

Cash¹
£6.9bn

Market Outlook

Rates Dependant market
L&G: A market leading annuity proposition

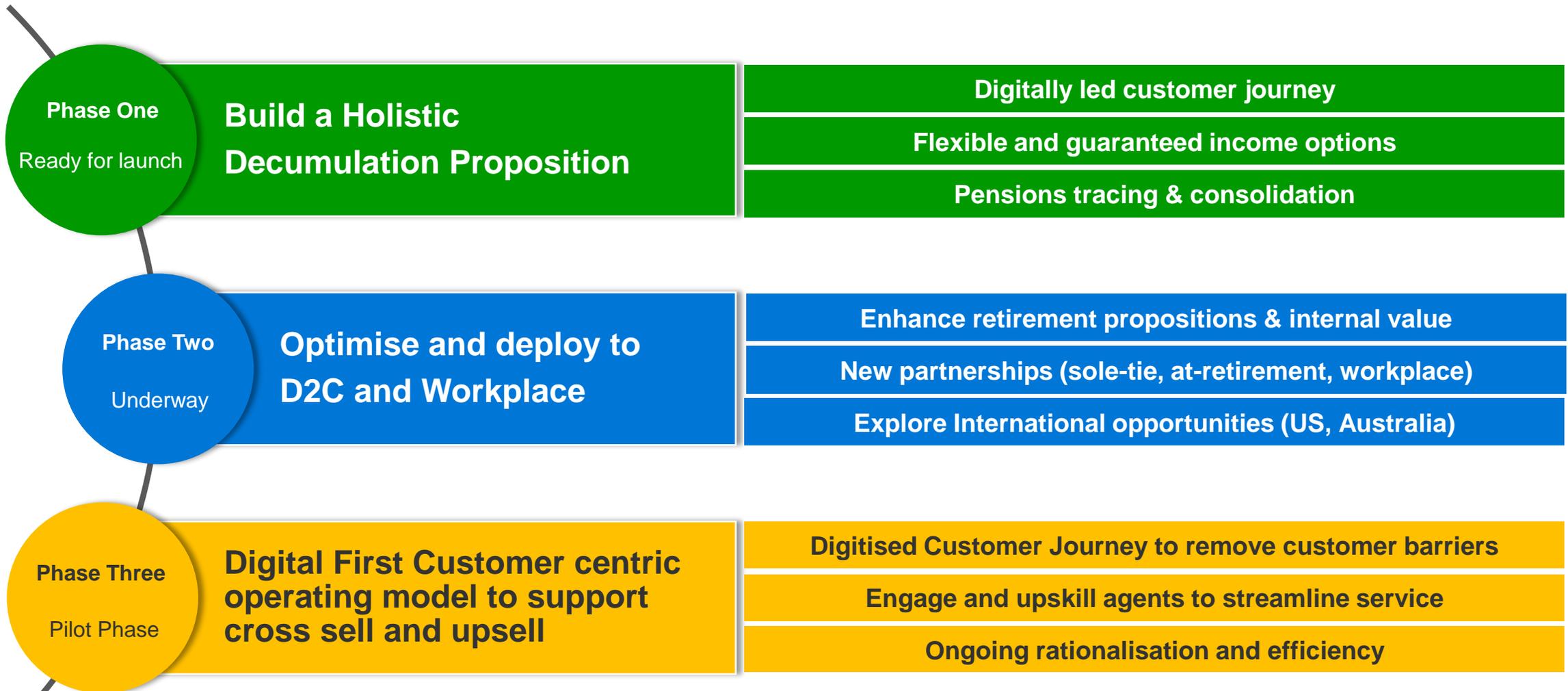
High Growth market
L&G: Non-advised drawdown product launched Q2-20

Falling share
L&G Help customers grow meaningful pots

Global (ex. UK) personal investment savings at retirement p.a.: \$330bn¹

Notes: 1 – Cash includes “Pots where first partial UFPLS payment taken and not fully withdrawn” and “Full cash withdrawals from pots being accessed for first time”; 2- Q4 2018;
 77 Source: ABI, FCA Retirement Income Data Oct 2017 – March 2019, Broadridge DC Report 2019, L&G Analysis
 1. Based on US and Australia

Strategy: Three phased approach to grow our accessible Retirement Income market



Opportunity: Decumulating housing wealth, a £1.7tn opportunity

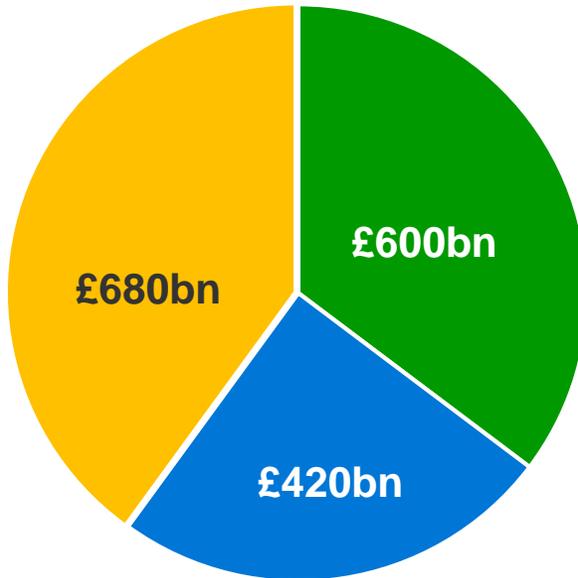
UK Housing Equity in over 55s: £1.7tn equity and c.5.5m houses

Unencumbered properties

Customers: 4m
 Avg LTV: 25% (LTM)
 Lending potential: £170bn

Opportunity to improve life with new lending

✓ Supporting family or improving quality of life



Interest Only properties

Customers: 1.45m
 Avg LTV: 35%
 I/O mortgages: c. £210bn

Need to deal with capital repayment at I/O maturity

✓ “Cliff edge” of Interest Only mortgages maturing

Properties over £1m

Customers: 350k
 Avg LTV: 15%
 Lending potential: £63bn

Customers with equity to plan for the future

✓ Wealth and inheritance planning

Global (ex. UK) housing wealth over age 65: **\$3.5tn¹**

Strong market, fundamentals remain strong

- £1.7tn housing equity
- Forecast debt growth £549bn by 2029 for over 55s
- Interest Only ‘Bubble’ represents substantial opportunity
- Large property owners increasingly considering equity release

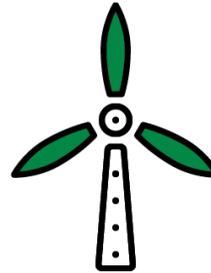
Strategy: Using housing wealth to solve three of society's most pressing problems: retirement debt, climate change and care

Debt in retirement



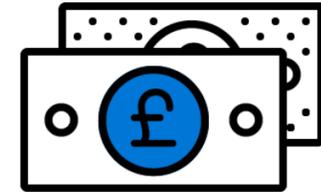
- **Retirement Interest Only (RIO)** mortgages are first step into residential mortgage space, opening opportunities for new products and markets
- Our **existing bank partnerships** and the **L&G Mortgage Club** position us well to succeed.
- **Standard' RIO** – Launched September 2020.
- **RIO 'Hybrid'** – 2021 Launch converting to LTM to support retirement

Climate change



- **Climate change is an ever growing challenge** with housing related emissions accounting for 15% of UK greenhouse gas emissions
- Lending money to improve house energy rating improves our overall security
- In Q4 2020 we will launch the **Energy Saver LTM** offering cashback to customers making eco-efficient improvements

Care funding



- **£20bn** is spent on formal care and **£100-140bn** on informal care each year
- We offer an **innovative regular payment product**, ILTM
- Our advice division, LGFA, linking in with SOLLA, will **offer essential care related financial advice**
- In Q4 2020, we will launch a **tailored concierge service**, helping our customers understand, find and fund care

Case Study: Optional Payment Lifetime Mortgage (OPLM) – aligning product innovation and risk mitigation

Product Innovation	Customer Benefits	Finance and Risk Impact
<ul style="list-style-type: none"> • Combines the flexibility of monthly interest payments with the long-term security of a lifetime mortgage • Unlike a traditional interest roll-up lifetime mortgage, the product allows customers to pay some or all of their monthly interest each month • Customers can do this for the full term or stop paying interest at any time and remain in their home for the rest of their lives • Interest rate fixed for life 	<ul style="list-style-type: none"> ➤ Monthly payments to service some or all of interest charged ➤ Can stop making payments at any time and convert to a roll-up LTM ➤ No income affordability assessment as the loan is secured against the value of the property ➤ Total debt payable at the end of term reduced ➤ Ideal for those with an outstanding interest-only mortgage who can continue their payments 	<ul style="list-style-type: none"> • Full property valuation criteria and lending rules as per regular lifetime mortgage • 19% of overall new business is now OPLM • 38% of our direct business advised by LGFA is represented by OPLM sales. • Limited or no interest roll-up lowers cost of no-negative-equity guarantee • Product flexibility aligns with changing customer circumstances and reduces conduct risk

Retail Retirement Solutions

Helping UK individuals achieve financial security in retirement

Opportunity

- Strong retirement proposition with a market leading position in Annuities and Lifetime Mortgages
- £40bn of pension savings coming to retirement each year, of which only £4bn is annuitised
- £1.7tn of UK housing equity owned by over 55s
- £400bn in DC accumulation assets, expected to grow to £950bn by 2028

Strategy

- Capture a growing share of the UK emerging retail retirement opportunity, by providing a broad and cohesive suite of products to consumers at and in retirement, helping them to manage their wealth, but also their health and care needs

Ambition

- To be the UK's leading retirement brand, enabling all our customers to have a colourful retirement whilst generating lasting profit for the Group and, over time, to expand internationally

Performance update and financial ambition

Jeff Davies
Chief Financial Officer

2020 is a pause year: H2 update

Our ambition is for full year operating profit broadly in line with 2019

Business		H1 2020 op profit (£m)	FY 2019 op profit (£m)	Trading update to 31 October 2020
LGRI	Pension Risk Transfer (PRT)	585	1,116	<ul style="list-style-type: none"> UK <ul style="list-style-type: none"> £4.7bn written across 36 transactions £1.7bn in exclusive negotiations, which we expect to complete in 2020 >£20bn UK actively quoting pipeline US: \$1.2bn of PRT written year to date, more than any prior full year volume c£200m anticipated LGR mortality reserve release (CMI-18)
LGIM	Investment Management ¹	196	394	<ul style="list-style-type: none"> £6.4bn external net flows to 30 September 2020 £1,234bn estimated total AUM as at 30 September 2020
LGC	Capital Investment	123	363	<ul style="list-style-type: none"> As forecast, we expect a 30% reduction in residential sales across the year Secured 5 further planning permissions (960 units) in the UK to meet Later Living and Modular Housing needs
LGI	Insurance	88	314	<ul style="list-style-type: none"> £1,475m gross written premium, up 5% on prior year To date COVID-19 claims remain modest. Overall exposure limited as majority of UK mortality risk is reinsured Prudent £44m COVID-19 future claims reserve set up, in excess of H1 claims
LGRR	Retirement Solutions	136	298	<ul style="list-style-type: none"> £747m of annuity premiums written, down 10% on prior year (down just 2% in H2) £613m of lifetime mortgage advances, down 26% on prior year
Disposed operations (Mature Savings)				<ul style="list-style-type: none"> Sale completed, c£325m IFRS profit on disposal expected

Our defensive bond portfolio continues to perform well: limited downgrades to sub-investment grade and no defaults

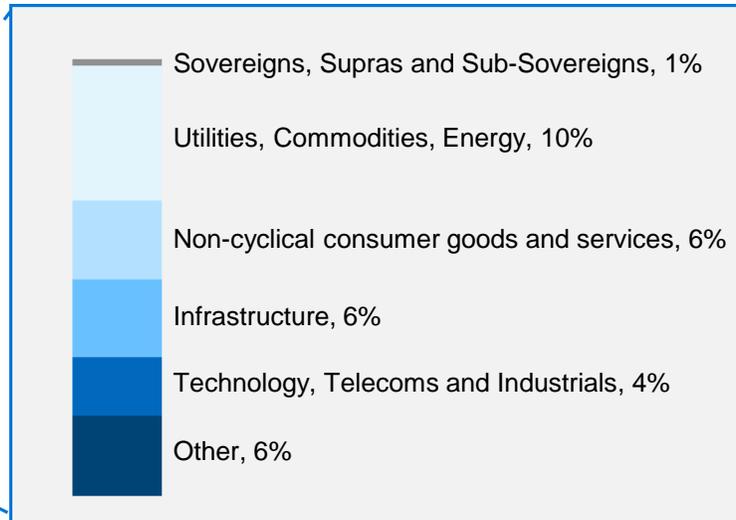
LGR Bond Portfolio: £76.4bn

2019 YE £70.0bn

H1 2020 £76.4bn

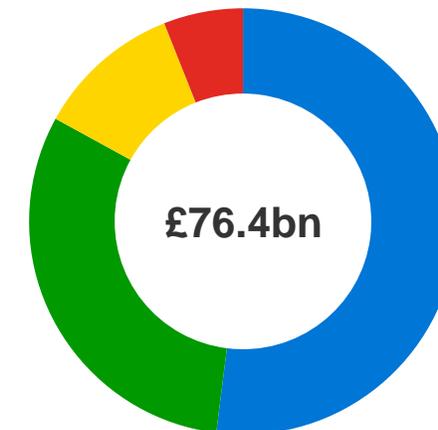


- Proactive risk management, executed a cost effective de-risking programme in 2019 and 2020 by utilising market opportunities
- The traded credit portfolio, has had **no defaults** and has seen **net downgrades to sub-investment grade of 0.8%** since the start of COVID-19 to end of October; compared to the index which saw 1.7%



A defensive, diversified portfolio

- **£3.5bn** IFRS credit default reserve remains unutilised
- **18%** of bonds in Sovereign-like assets
- Geographically diversified portfolio. **Only 22% of portfolio is to UK corporate debt as of FY 2019.** Non-GBP FX exposure hedged
- Limited COVID-19 sector exposure, e.g. travel & leisure (0%)
- Only 3% BBB-



- UK, 52%
- US, 31%
- Europe, 11%
- RoW, 6%

High quality, diversified direct investments, with 99.5% of scheduled cash-flows paid

LGR Direct Investment portfolio: £23.6bn, 29% of total LGR assets

Direct investments by type

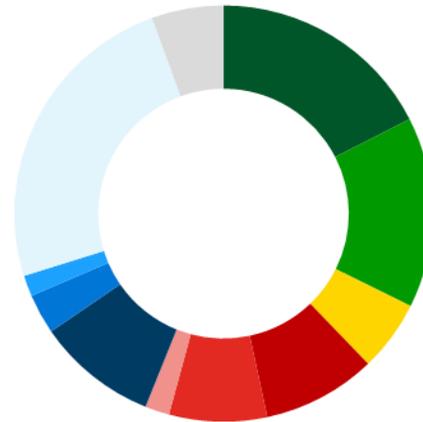


High quality Lifetime Mortgage book: average customer age 73; weighted average loan-to-value of c.30.7%

Across these asset classes, the primary exposure is to high quality counterparties, not to property valuations: 70% of DI portfolio

- Bond - Government
- Bond - Economic Infrastructure (incl. renewables)
- Bond - Social Infrastructure
- Bond - Utilities
- Bond - Private Corporate Debt (other)
- Bond - Real Estate (debt)
- Bond - Lifetime Mortgage
- Property - Vacant Value
- Property - Fixed Coupon

Direct investments by sector

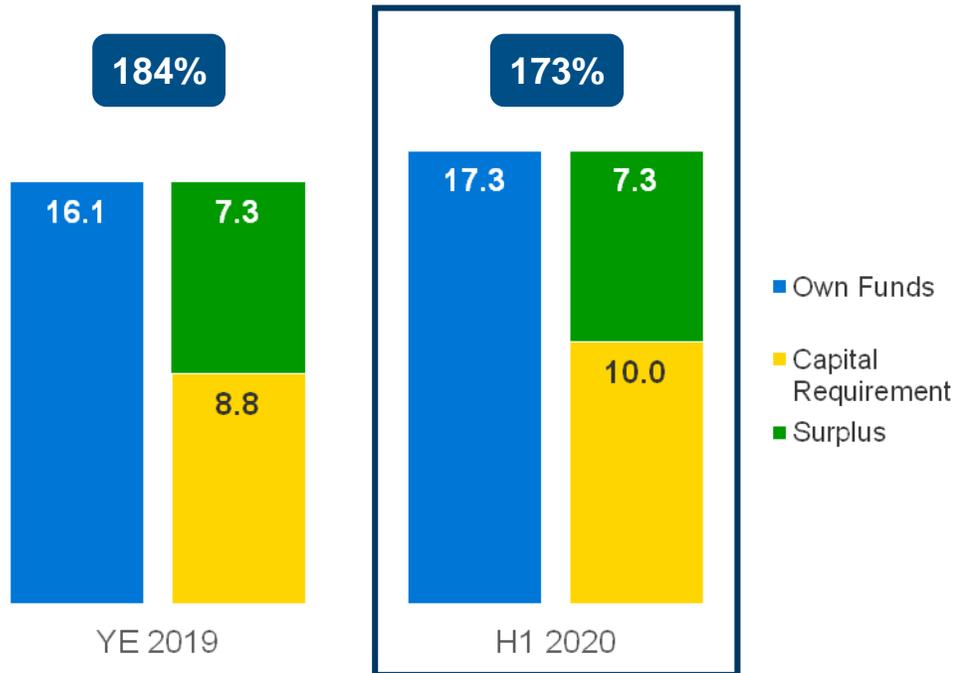


- Offices
- Energy, Networks and Utilities
- Industrial & Distribution Warehouse
- Transportation
- Social Housing & Care Homes
- Hospitals
- Student Accommodation & Universities
- Hotels & Leisure
- Retail & Banking
- Lifetime Mortgages
- Miscellaneous

- The portfolio has continued to perform strongly. **No defaults** and 99.5% of scheduled cash-flows paid year to date, reflecting the high quality of our counterparty exposure
- **All internally rated assets have been reviewed since the start of COVID-19**
- **Primary exposure is to the underlying high quality tenant on rental income, e.g. Amazon, not to property risk**
- Office Property exposure is primarily:
 - HMRC Buildings
 - Secretary of State
- Continue to benefit from LGC asset creation via affordable homes and Build-to-Rent

A robust balance sheet, strengthened by significant liquidity¹

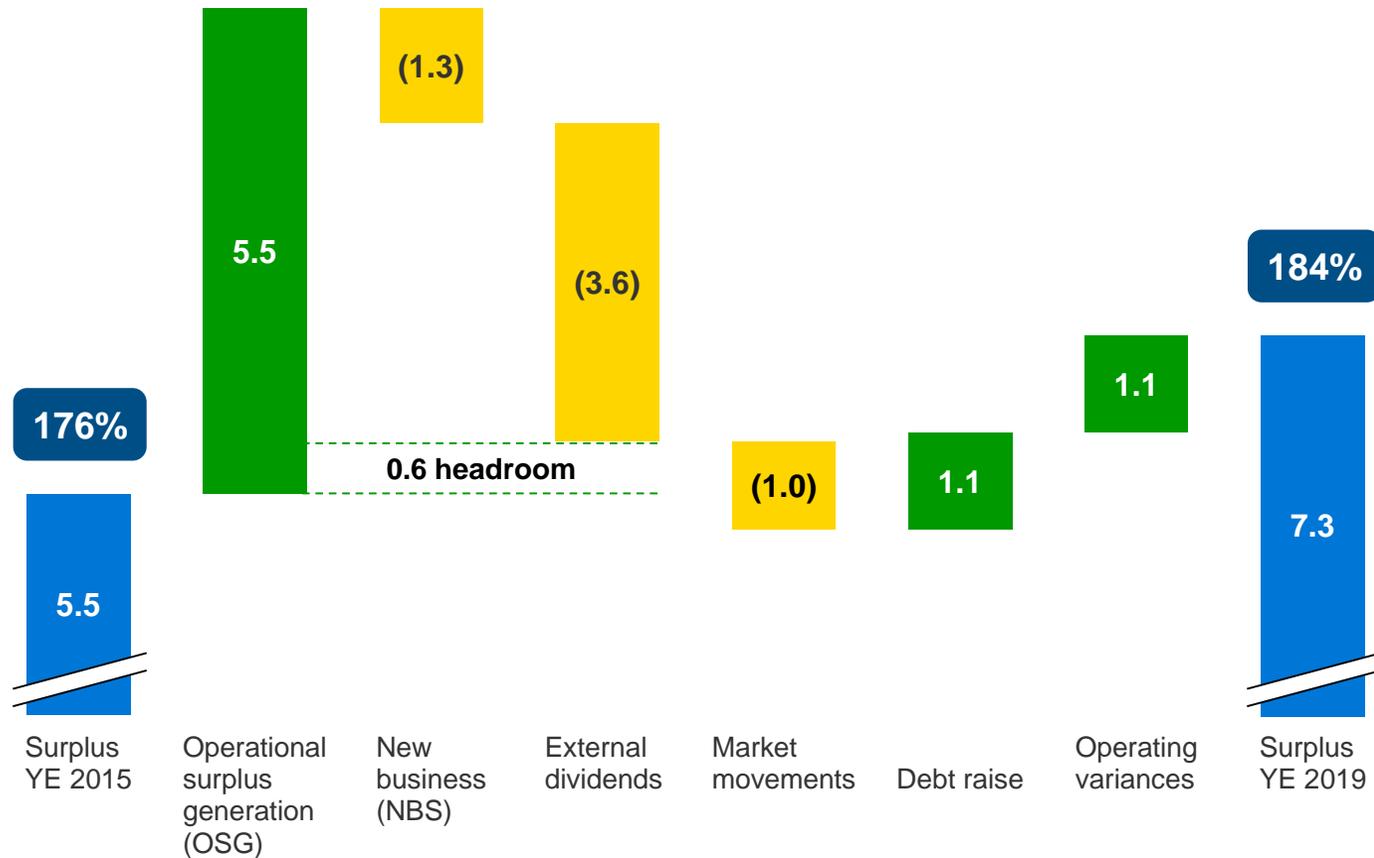
Solvency II Balance Sheet (£bn)



- Solvency II surplus of **£7.3bn**
- Coverage ratio of **173%** (H1 2019 : 171%), currently in the mid-170%^s
- Tier 1 Own funds of **£12.8bn (74%)**
- Strong liquidity position:
 - £6.0bn of cash and cash equivalents
 - Limited liquidity requirements: annuities can't be redeemed, liabilities are cashflow matched
- H1 2020 debt issuances reflected favourable bond market conditions and strongly position us to:
 - Capitalise on new business opportunities
 - Provide a further measure of prudence
 - Invest in the COVID-19 recovery
- Over the period 2020-2024 **we expect our leverage to reduce as we continue to grow our balance sheet**

Solvency II surplus has grown by £1.8bn since 2016. Paid out £3.6bn of dividends and written £34bn of annuities

Solvency II surplus analysis of change (£bn)



To year end 2019:

- Operational surplus generation **£5.5bn**, **1.5x** dividend coverage
- Net surplus generation (OSG - NBS) of **£4.2bn** exceeds dividends paid since 2016 of **£3.6bn**
- Net surplus generation dividend coverage **1.2x**
- **Annuities (PRT and Retail)** written over this period **£33.9bn**

We intend to grow the dividend at low to mid-single digits from 2021

Cumulative (£bn)	2016-2019	2020-2024
Cash generation ¹	5.9	8.0-9.0
Capital generation ²	5.5	8.0-9.0
Dividends³	3.8	5.6-5.9

- Our current intention is to keep the final 2020 dividend flat.³ **Thereafter, we intend to grow the dividend at low to mid-single digits**
- Over the period 2020-2024⁴ our ambition is for:
 - Cash and capital generation to significantly exceed dividends
 - EPS to grow faster than dividends
 - Net surplus generation (i.e. including new business strain) to exceed dividends

1. Cash generation is IFRS Net release from operations (excluding non-BAU mortality releases)

2. Capital generation is Solvency II operational surplus generation

3. Dividends declared. Assumes a flat final 2020 dividend, and 3-6% annual growth thereafter. The Board will make a final decision at year-end

4. The ambition is based on the aggregate performance over a five-year period. Performance may vary from year to year and individual statements may not be met in each year on a standalone basis.

Each of our businesses contribute to our 5 year growth ambition

We expect Group earnings to be increasingly diversified and less capital intensive

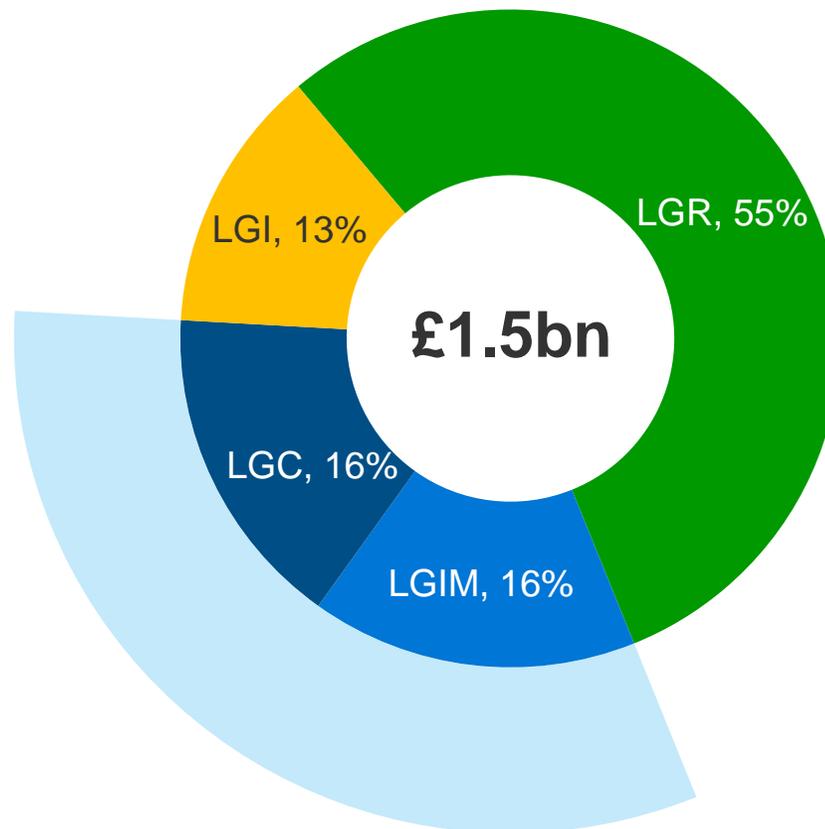
Business	5 Year Ambition
LGRI	<ul style="list-style-type: none"> £40-50bn of UK PRT new business volumes (2015-2019: £27bn) \$10bn of international PRT new business volumes (2015-2019: \$4bn)
LGIM	<ul style="list-style-type: none"> Grow cumulative profits at least in line with the Group's dividend growth rate, absent market shocks Expand products with higher margins
LGC	<ul style="list-style-type: none"> Grow alternative assets AUM to up to c£5bn (H1 2020: £3.0bn) Add £10bn of 3rd party capital AUM
LGI	<ul style="list-style-type: none"> Sustain UK market leadership via applied technology Grow US new business premium to £200m (10%+ CAGR) Achieve double digit growth for fintech businesses
LGRR	<p>Capitalise on the large and growing UK retirement solutions opportunity:</p> <ul style="list-style-type: none"> £40bn of pension savings coming to retirement each year £1.7tn of UK housing equity owned by over 55s

Balanced surplus generation; growing portfolios drive increasing cash and surplus generation

Capital generation is diversified across divisions (2019 OSG¹)

LGI creates capital on day 1 and OSG in subsequent years

LGR OSG is highly predictable



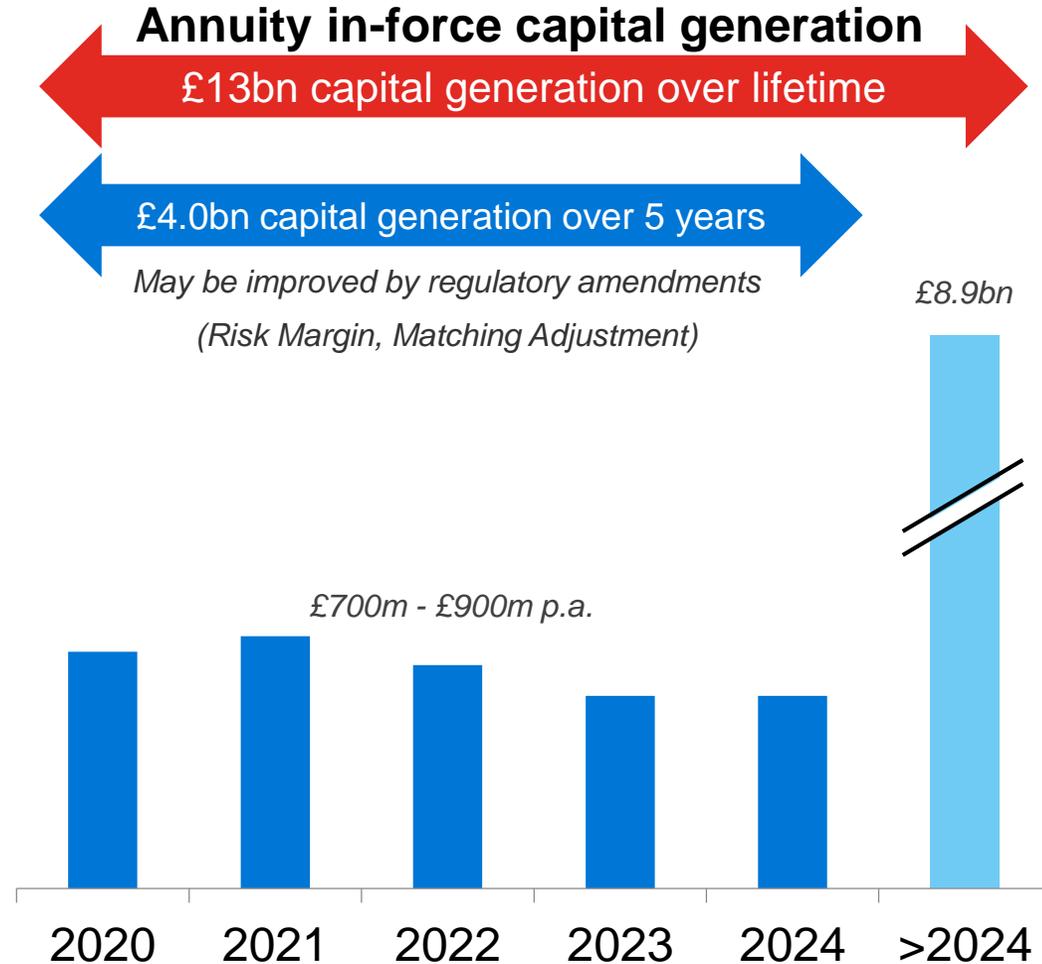
Non-insurance businesses are capital-light, and benefit from higher persistency AUM

We currently expect FY 2020 OSG from continuing operations of c£1.5bn

Our annuity back book generates predictable capital flows

Even without writing any new business, the existing annuity back book will deliver £13bn of OSG

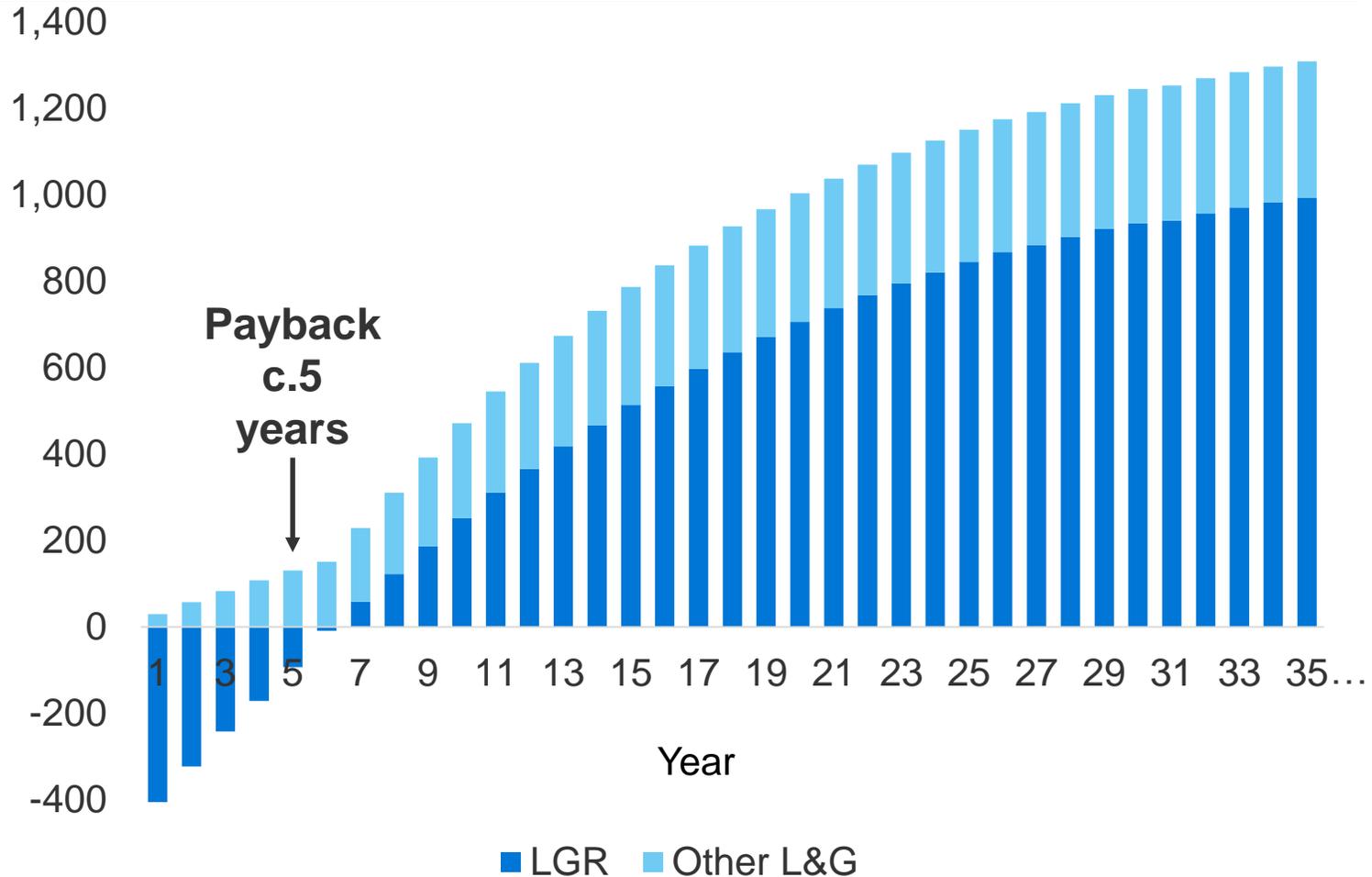
- Our annuity back book provides reliable capital generation for the long-term to support the dividend and future growth
- Capital generation is the surplus (OSG) arising each period as liabilities roll-off, reducing our risk capital requirements (SCR) and increasing available assets (Own Funds)



Operational Surplus Generation based on starting portfolio of £81bn and includes all profits within the Group.

The new PRT business LGRI writes is highly attractive and generates capital across the Group

Cumulative OSG from £10bn of new UK PRT business (£m)

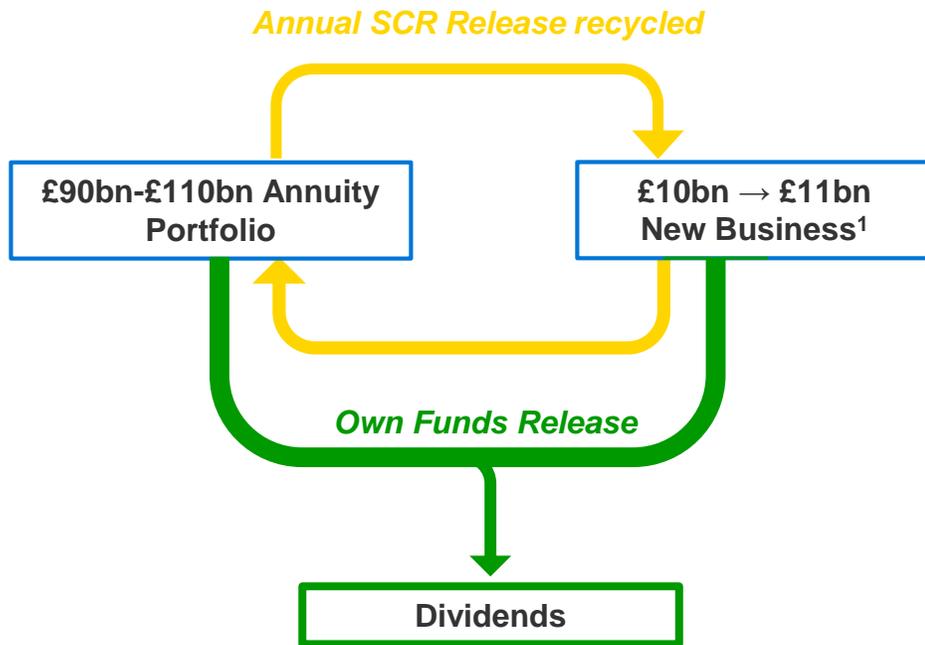


- **Payback on new PRT business is c.5 years**
- £10bn of UK PRT new business will generate:
 - A c4% strain in year 1
 - OSG of c£100m in year 2
 - OSG of over £1bn over the expected life of the transaction
- New business must exceed financial hurdle rates, including return on capital and IFRS-based targets
- **Greater capture of value within the Group** as admin and asset management (LGIM) are conducted internally
- LGC generates returns on surplus assets and LGRR is paid LTM origination fees

LGR will be fully “self-financing” at c£100bn of AUM

Dynamics of a self-sustaining portfolio

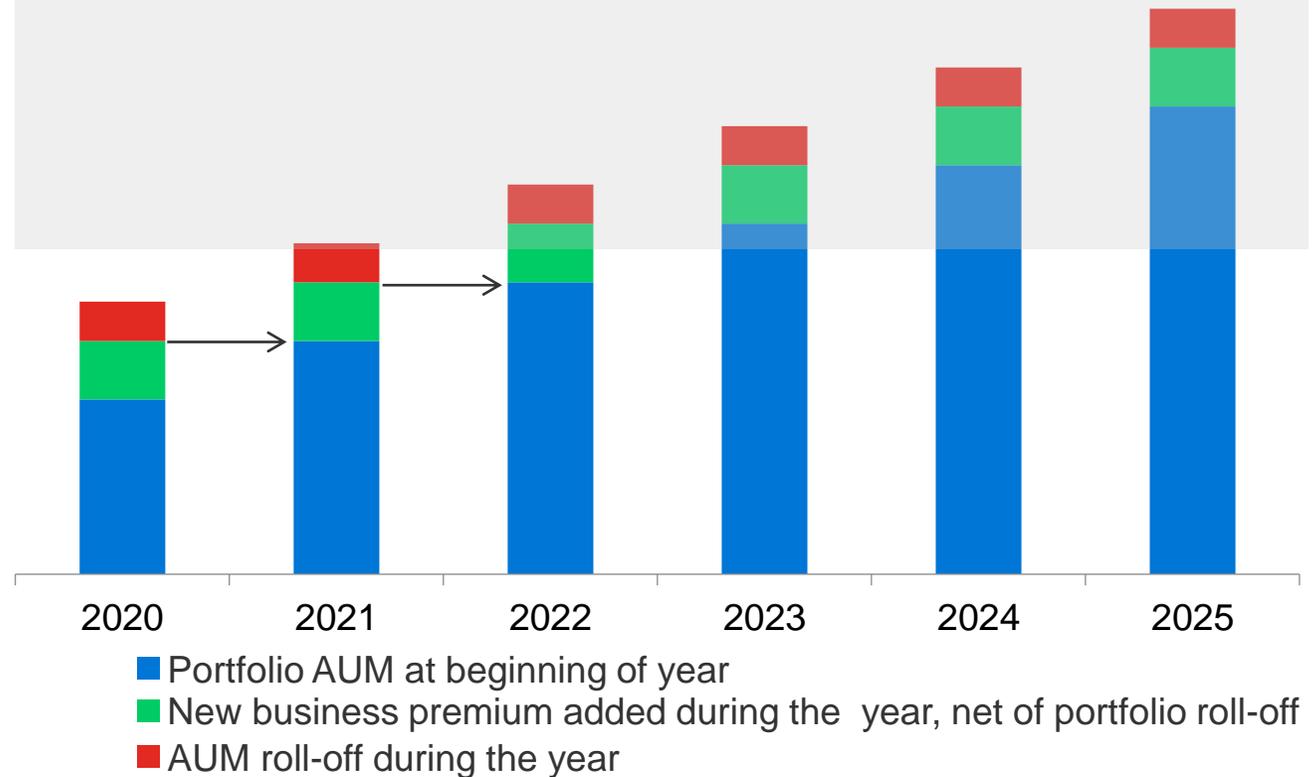
Funding new business, while both (a) paying planned dividends and (b) contributing to the Group coverage ratio increasing over time



Our portfolio should be self-sustaining within 3-5 years

Annuity portfolio¹

Reaching self-sustaining portfolio at £90bn-£110bn



Note: Green + Red = new business premium added during the year

Well positioned to deliver a new phase of balanced growth across our businesses over the next five years

A solid track record of consistent growth

Earnings per share (p)

11% CAGR



Strong operating performance supported by **robust balance sheet** and **well-managed asset portfolio**

Ambition

Between 2020 and 2024, our ambition¹ is for:

1. **Low to mid-single digit dividend growth from 2021**
2. Cash and capital generation to **significantly exceed** dividends
3. **EPS to grow faster than dividends**
4. Net surplus generation (i.e. including new business strain) to **exceed dividends**

A Retirement Solutions provider recycling pension solutions liabilities into high quality, ESG-aligned, real assets

An enormous opportunity:

\$47 trillion global pensions assets

\$130tn clean energy investment needed

£500bn UK infrastructure gap

95 | 1. The ambition is based on the aggregate performance over a five-year period. Performance may vary from year to year and individual statements may not be met in each year on a standalone basis

In closing

Nigel Wilson
Chief Executive Officer

We are well placed to deliver on our financial ambitions, even though the macro-economic environment remains uncertain

- We are leaders in markets with many profitable and scalable growth opportunities
- We have the strategy, people and capabilities to capture these opportunities
- This will provide us the base to **achieve our financial ambitions** in respect of dividends, EPS, and cash/capital generation and **maintain our strong balance sheet**

