



Improving lives through inclusive capitalism

Legal & General Group Plc | Debt Investor Update | 2018 Year End Results



Financial highlights

Operating profit from divisions¹

£2,231m

(2017: £2,034m)

+10%

Earnings per share¹

24.74p

(2017: 23.10p)

+7%

Return on equity

22.7%

(2017: 25.6%)

Book value

£8.5bn, 143p

(2017: £7.5bn, 126p)

+13%

SII operational surplus generation

£1.4bn

(2017: £1.3bn)

+14%

Full year dividend

16.42p

(2017: 15.35p)

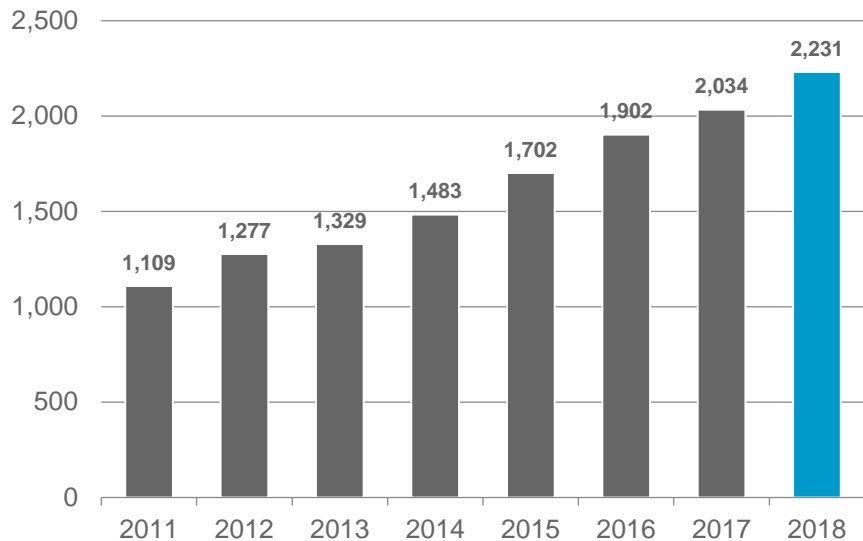
+7%

1. Excludes benefits of mortality release in both years, and one-off tax benefit in 2017 following US tax reform for EPS

A consistent strategy: Consistently delivering

Operating profit from divisions (£m)

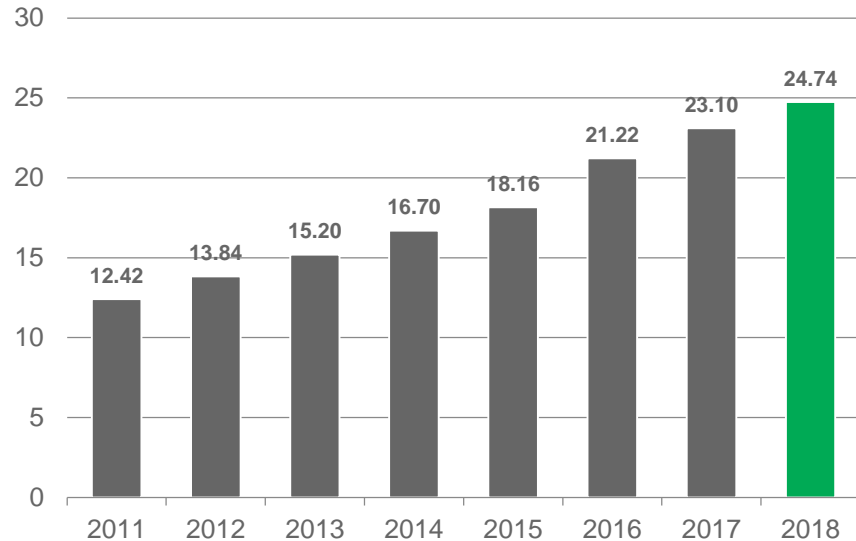
11% CAGR 2011 - 2018



Operating profit from divisions bridge (£m)	2017	2018
Mortality release	332	433
Reported Operating profit from divisions	2,366	2,664

Earnings per share (p)

10% CAGR 2011 - 2018



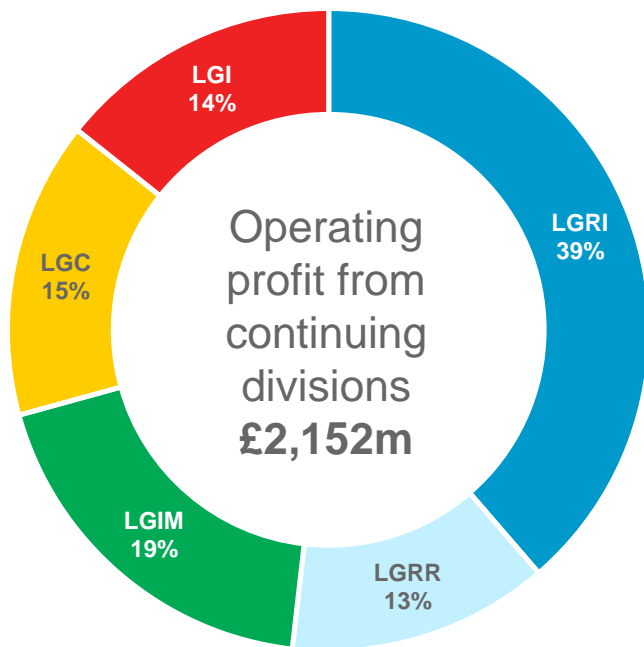
EPS bridge (p)	2017	2018
Mortality release	4.62	6.05
US tax	4.15	-
Reported EPS	31.87	30.79

Structural growth drives profit

	2018	2017	%	Growth	
Investing & Annuities	Legal & General Retirement: Institutional¹	832	716	16	<ul style="list-style-type: none"> Actively quoting on £20bn UK PRT business, market share c.30% c.\$27bn US PRT market opportunity p.a., market share 3%
	Legal & General Retirement: Retail¹	283	199	42	<ul style="list-style-type: none"> LTM 30% market share Individual annuities 19% market share
	Legal & General Capital	322	272	18	<ul style="list-style-type: none"> Future cities: targeting 12 in the UK Housing: £1bn+ revenue in 2019
Investment Management	Legal & General Investment Management	407	400	2	<ul style="list-style-type: none"> £1tn AUM, \$80 trillion global assets
Insurance	Legal & General Insurance	308	303	2	<ul style="list-style-type: none"> Innovative customer centric technology driving growth Lower costs drive improved customer pricing
	General Insurance	0	37	(100)	<ul style="list-style-type: none"> Technology increasing customer engagement and choice
Operating profit from continuing divisions		2,152	1,927	12	

1. LGR figures shown exclude mortality releases

Benefits of a diversified business model



Excluding mortality release £m	2018	2017	%
Legal & General Retirement Institutional (LGRI)	832	716	16
Legal & General Retirement Retail (LGRR)	283	199	42
Legal & General Investment Management (LGIM)	407	400	2
Legal & General Capital (LGC)	322	272	18
Legal & General Insurance (LGI)	308	303	2
General Insurance	0	37	(100)
Operating profit from continuing divisions	2,152	1,927	12
Mortality release	433	332	
Including mortality release £m	2018	2017	%
Legal & General Retirement Institutional	1,149	906	27
Legal & General Retirement Retail	399	341	17
Operating profit from continuing divisions	2,585	2,259	14

Financial highlights: consistent delivery in 2018

Metric	2018	2017	%
Operating profit from divisions excluding mortality release (£m)	2,231	2,034	10
Group debt costs (£m)	(203)	(191)	(6)
Group investment projects & expenses (£m)	(126)	(120)	(5)
Operating profit excluding mortality release (£m)	1,902	1,723	10
Mortality release (£m)	433	332	
Operating profit (£m)	2,335	2,055	14
Investment & other variances (including MI) (£m)	(207)	35	n/a
Profit before tax (£m)	2,128	2,090	2
Earnings per share ¹ (p)	24.74	23.10	7
Return on equity (%)	22.7	25.6	
Solvency II operational surplus generation (£bn)	1.4	1.3	14
Solvency II coverage ratio (%)	188	189	

1. Earnings per share excludes mortality release of £359m (net of tax) in 2018. 2017 excludes mortality release of £274m and US tax impacts of £246m

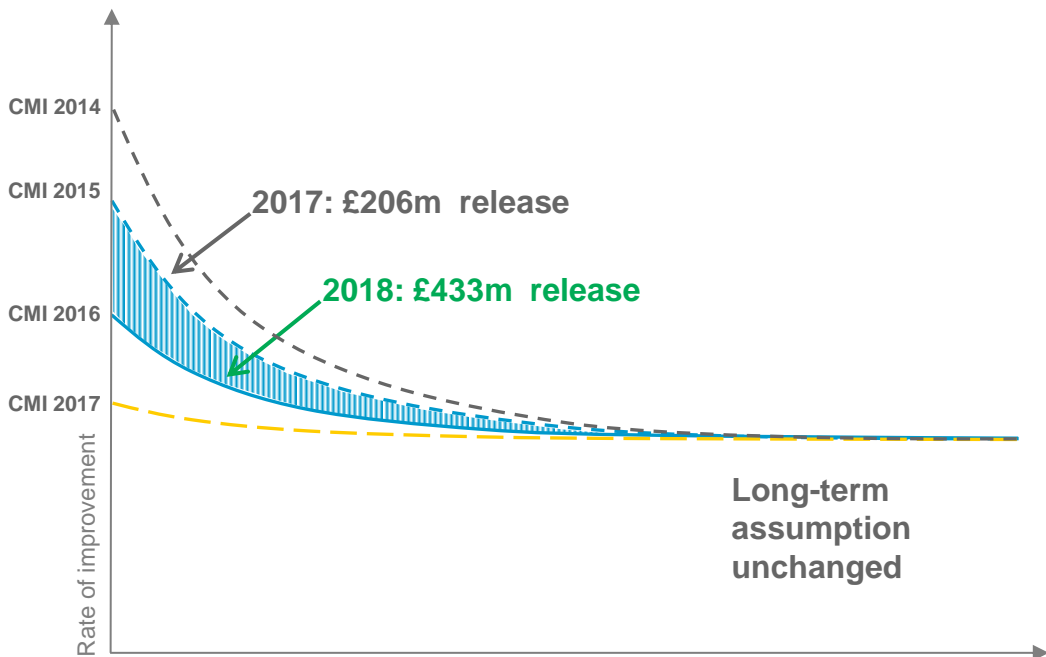
LGR: Consistently delivering, record £10bn annuity sales

Financial Highlights	FY 2018	FY 2017
Release from operations (£m)	551	508
New business surplus (£m)	217	180
Net release from operations (£m)	768	688
Operating profit (£m)	1,548	1,247
Operating profit excl. mortality release (£m)	1,115	915
Profit before tax (£m)	1,643	1,251
Total LGR new business (£m)	11,419	6,423
LGR Institutional (£m)	9,427	4,748
LGR Retail (£m)	1,992	1,675
Total annuity assets (£bn)	63.0	58.2
Of which: Direct investments (£bn)	15.7	12.2
Solvency II new business margin ¹ (%)	7.9	8.5
Solvency II new business strain ¹ (%)	<4.0	

- Operating profit excluding mortality releases **£1,115m up 22%**, reflecting:
 - Strong performance from back book prudential margin releases and record new annuity business volumes of **£9.9bn** in 2018
 - Positive longevity variances driven by mortality experience in 2018 and routine updates to our assumptions relating to current mortality rates
- Direct investments grew by **£3.5bn** over 2018 reflecting continued success in sourcing attractive assets
- **Record UK PRT new business** - more than doubled, and margin has remained strong. We have maintained pricing discipline in a competitive UK annuities market and kept **SII strain below 4%**

LGR: Change in mortality tables as improvement rate slows

Changes to mortality assumptions in 2018*



* For illustrative purposes only

- Adopted the **CMI 2016** model for projecting mortality improvements in H2 2018
- Reflects an expectation of lower mortality improvement rates in the short and medium term
- Expected long term improvements are unchanged
- Impact is a **release of £433m** from our IFRS reserves
- Increasing evidence the observed slowdown in mortality improvement will persist
- Continue to apply caution in considering the move to the next set of mortality tables (CMI 2017)

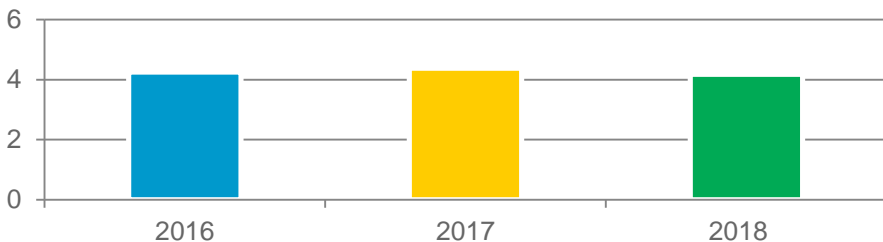
Life Expectancies ¹	CMI2016	CMI2015	Change
Male aged 65	23.3	23.7	(0.4)
Female aged 65	24.5	24.7	(0.2)

LGRR: New Business

Total Sales (£m)	FY 2018	FY 2017
Individual annuities	795	671
New lifetime mortgages	1,197	1,004
Total LGRR New Business	1,992	1,675

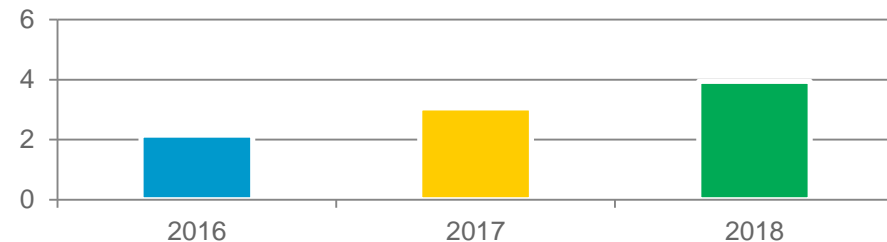
- Individual annuities up **18% to £795m** following significant improvement to our enhanced annuity proposition
- **£1.2bn lifetime mortgage sales up 19%**, driven by strong distribution partnerships and innovative product offerings

Individual Annuities market volumes¹ (£bn)



- 19% market share at Q4 2018
- Expect to be top 2 in the UK individual annuities market for Q4 2018

Lifetime Mortgages market volumes² (£bn)



- Market opportunity: £1.5tn over 55s housing equity³
- Anticipate LTM market of over £6bn by 2020
- Maintained 30% market share

1. 2018 market based on Q4 ABI data

2. Equity release council

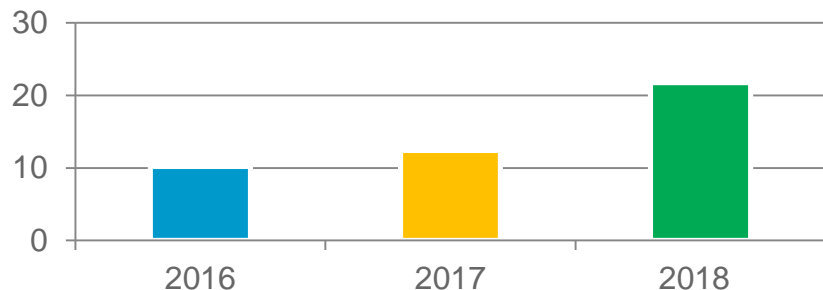
3. Age Partnership research

LGRI: New Business – Record year

Total Sales (£m)	FY 2018	FY 2017
UK Pension risk transfer	8,351	3,405
International Pension risk transfer	789	543
Longevity insurance	287	800
Total LGRI New Business	9,427	4,748

- **£9bn+** premium for global bulk annuity transactions including:
- **£4.4bn** buy-in with British Airways – UK’s largest
- **£2.4bn** PPF+ buy-out with Nortel Networks Pension Plan
- **\$844m** of US PRT transactions, up 18% from 2017
- **€159m** of Irish deals through our partnership with New Ireland

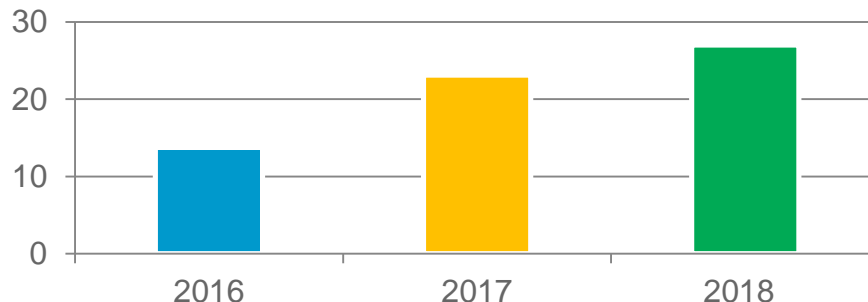
UK PRT market volumes¹ (£bn)



- Size of market: **>£2tn** DB pensions
- Of which only **c.8%** transferred to insurers

1. L&G estimate
2. LIMRA report

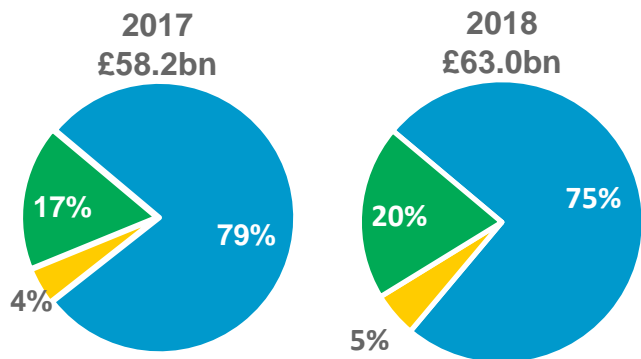
US PRT market volumes² (\$bn)



- Size of market: **\$3.1tn** DB pensions
- Of which only **c.5%** transferred to insurers

LGR diversified portfolio, high quality assets

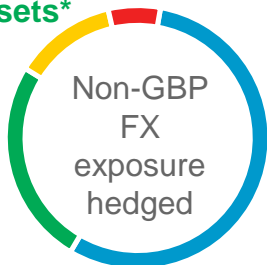
LGR Asset portfolio



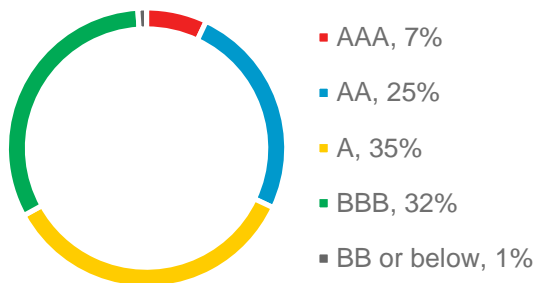
- Traded investments
- Lifetime mortgage
- Direct Investments (excl. lifetime mortgage)

Geographical diversification with bias to GBP assets*

- UK, 56%
- US, 25%
- Europe, 13%
- RoW, 6%



Asset portfolio maintaining overall credit quality and high sectorial diversification*



- 17% in Sovereign-like assets
- c.2/3rd A rated or better
- Credit default reserve **£2.9bn**
- Bank exposure reduced from c. 20% pre-crisis to **5%**

Sector*			
Sovereigns, Supras, Sub-Sovereigns	17%	Energy, Oil and Gas	5%
Infrastructure	16%	Real Estate	5%
Utilities	16%	Securitisations (collateralised credit)	3%
Consumer services and goods	16%	Financial Services and Insurance	2%
Technology and telecoms	6%	Industrials	2%
LTM Loans	6%	Commodities	1%
Banks	5%		

LGR diversified, high quality assets: Direct Investments

Wide spectrum of Direct Investment classes



- Real Estate Debt, 16%
- Infrastructure, 21%
- Lifetime Mortgages, 20%
- Private Corporate Debt, 16%
- Rental Income Notes, 19%
- Property Residual Notes, 8%

Diversified portfolio maintained good overall credit rating



- AAA, 14%
- AA, 17%
- A, 34%
- BBB, 33%
- BB or below, 2%

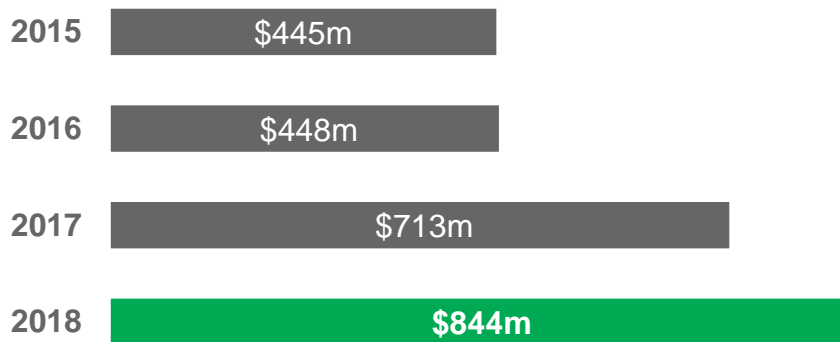
- High quality investments: <2% sub investment grade
- >90% of portfolio MA eligible
- PRA approval in 2018 for >£500m of Direct Investments to become MA eligible
- Exposure to offices dominated by
 - HMRC Buildings (4% of total DI),
 - the Rolls Building Secretary of State (2% of total DI)
 - Transport for London, Stratford (1% of total DI)

...Investing in high quality assets through enhanced covenants, structure and security

Sector			
Offices	15%	Hospitals	2%
Energy, Networks and Utilities	12%	Hotels & Leisure	4%
Student Accommodation & Universities	10%	Retail & Banking	2%
Transportation	9%	Senior Unsecured Debt	8%
Social Housing & Care Homes	8%	Miscellaneous	4%
Industrial & Distribution Warehouse	6%	Lifetime Mortgages	20%

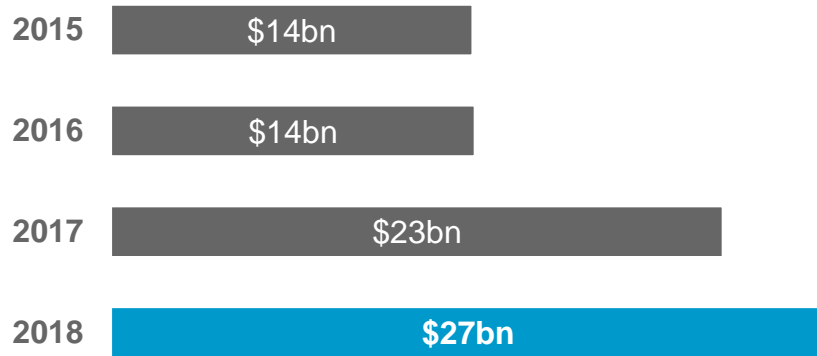
LGRA: Successful international expansion

Fast growing US PRT sales



- In 2018, LGRA wrote **\$844m** in premium, **18%** increase vs 2017 and **88%** vs 2016
- LGRA has written **c.\$2.5 billion** spanning **43** clients since entering the US PRT market in 2015
- Highly successful with the initial target market of **<\$100m** cases (**40%** over 2017 and 2018)
- LGRA has scaled up capacity and expanded infrastructure investing in the US

...in a buoyant US buyout market



- The US PRT market grew 18% to \$27 billion in 2018
- Reinsurance partnerships have been developed to enhance capital utilisation and increase competitiveness on larger transactions
- Key partnership transaction completed in 2018 paving the way for similar transactions in 2019

LGIM: Financials

Financial Highlights	FY 2018	FY 2017
Asset management revenue ¹ (£m)	840	805
Asset management expenses ¹ (£m)	(433)	(405)
Total LGIM operating profit (£m)	407	400
External net flows (£bn)	42.6	43.5
Of which: International (£bn)	19.6	33.0
External net flows % of opening AUM	4.3	4.9
Closing AUM (£bn)	1,015	983
International AUM (£bn)	258	228
UK DC AUM (£bn)	71	60
Retail AUM (£bn)	31	30
Asset management cost : income ratio (%)	52	50

- Operating profit up **2% to £407m**
- Asset management revenues grew by 4%, despite adverse market conditions
- Asset management expenses increased by 7% reflecting continued investment, including data analytics, digital client portals, and optimised investment platforms
- **AUM over £1tn**, driven by **external net flows of £42.6bn (4.3% of opening AUM)**, with continued diversification across channels, regions, and product lines
- A market leader in UK DC assets, £71bn. Strong net flows of £8.4bn
- Retail ranked 2nd in retail sales² for 2018 and continues to strengthen its position in the market
- International client net inflows of £19.6bn driven by the US and the Gulf

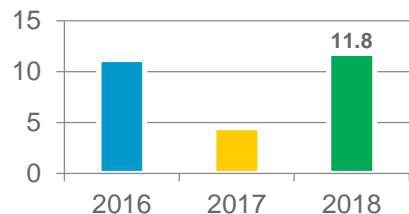
1. Revenue and expenses exclude income and costs of £19m in relation to the provision of 3rd party market data (2017: £17m), and also exclude revenue and expenses from our Workplace Savings and ETF businesses

2. Pridham Report Q4 2018

LGIM: Continued diversification of the business

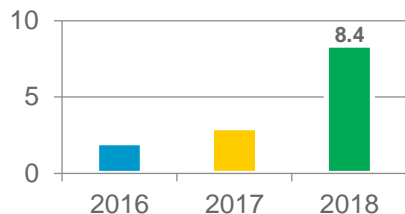
External net flows £43bn

DB Flows (£bn)



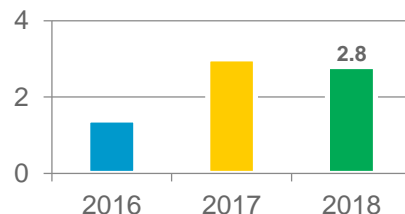
- UK DB clients de-risking by transitioning from Index into a broad range of LDI strategies
- Strong result in H2 with net flows of £12.1bn

DC Flows (£bn)



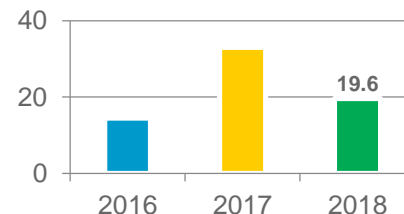
- AUM increased by 18% to £71bn (2017: £60bn)
- Inflows driven by the bundled business which provides administration services to DC schemes
- Member numbers increased to 3.1m

UK Retail Flows (£bn)



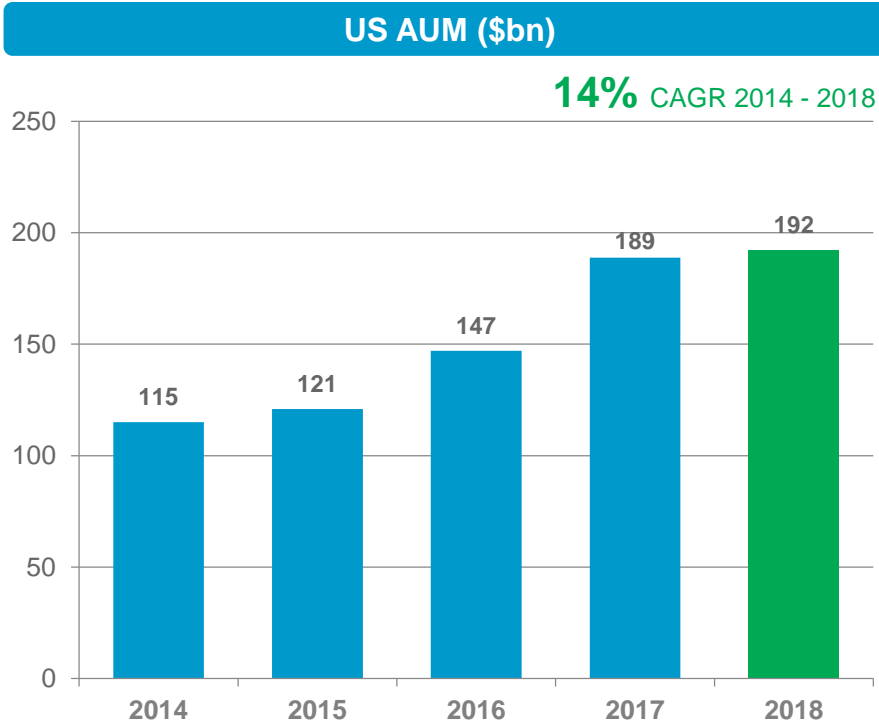
- Net flows of £2.8bn were positive across Index, Multi-Asset, Equities, and Property
- 2nd in retail sales in 2018

International Flows (£bn)



- Positive flows in US, Gulf, and Asia
- Sovereign Wealth Funds have provided £6.8bn net inflows in the Gulf
- Decrease in net flows year on year driven by asset allocation decisions of European institutional clients

LGIM: Continuation of positive momentum in the US



- Total US AUM of **\$192bn**, a **2%** increase from 2017
- Domestic client net flows of **\$15bn** (2017: \$16bn)
- **417** external US clients, **23%** increase on 2017 (338)
- Robust demand for US Fixed Income, Index, and LDI strategies
- LGIMA continue to see an increased demand for more customised strategies from Corporate DB clients
- Accelerating our US real assets capability

LGC: Financials

Financial Highlights	FY 2018	FY 2017
Operating profit (£m)	322	272
- Direct Investments	188	124
- Traded portfolio and other	134	148
Profit before tax (£m)	49	363
- Direct Investments	143	102
- Traded portfolio and other	(94)	261
Assets (£m)	8,642	7,301
- Direct Investments	2,359	1,450
- Traded portfolio and Treasury	6,283	5,851
of which: Cash and Treasury assets	4,438	3,435
Net portfolio return (%)		
- Direct Investments	7.4	8.1

- Overall LGC operating profit **£322m, up 18%**, led by increased Direct Investment portfolio including the full ownership of CALA

Direct Investments

- Total new investment and new commitments of **£1.3bn** including investment in Science and Technology sector
- Direct Investments portfolio has increased by **63% to £2.4bn** in 2018
- Net portfolio return of 7.4% reflects continued new investment. Existing assets performing well

Traded Portfolio

- Lower operating profit reflecting strategic reduction of equity portfolio; £1.5bn at end 2018 (2017: £2.1bn)
- Significant PBT variance driven by volatility in global financial markets, particularly traded equities

LGC: Strong year for growth

Utilise shareholder capital to deliver new investment to drive growth

Our investment strategy

- Sectors with shortage of long term capital
- L&G has relevant skill set
- Act as a catalyst to create assets for L&G

Significant investment in 2018

CALA **£315m invested**

Bruntwood
SciTech **£250m commitment, (£116m drawn)**

Pemberton
NTR and VC **£205m invested**

Direct Investment portfolio by sector (£m)	2018	2017
Future Cities	787	566
Housing	1,158	588
SME Finance	414	296
Total assets	2,359	1,450

Direct Investment portfolio by operating model (£m)	2018	2017
Wholly owned operating businesses	1,095	549
Investments through joint ventures or minority shareholdings	740	542
Externally managed funds	524	359
Total assets	2,359	1,450

LGI: Financials

Financial Highlights	FY 2018	FY 2017
Net release from operations (£m)	236	275
Operating profit (£m)	308	303
- LGI UK	246	209
- LGIA (US)	62	94
Profit before tax (£m)	307	243
New business annual premiums	343	300
Gross written premium (£m)	2,580	2,531
- LGI UK	1,608	1,558
- LGIA (US)	972	973
UK Protection SII margin (%)	7.1	8.6
US Protection SII margin (%)	11.2	11.7

- Operating Profit of **£308m**, a **2%** increase on prior year, continuing to contribute stable profits to the Group
- Strong new business growth across the division, up **14%** to **£343m**
- Gross written premiums up 3% in the UK, US up 4% on a USD basis to \$1,299m
- LGI UK delivered operating profit of **£246m** following the successful turnaround in Group Protection, model refinements and assumption changes
- UK Retail Protection margins impacted by competitive market environment
- LGIA profit below prior year due to higher than expected mortality claims in contrast to positive experience in 2017, in line with wider experience in the US life sector
- \$107m dividend paid by LGIA on 01 March 2019 (2018:\$105m)

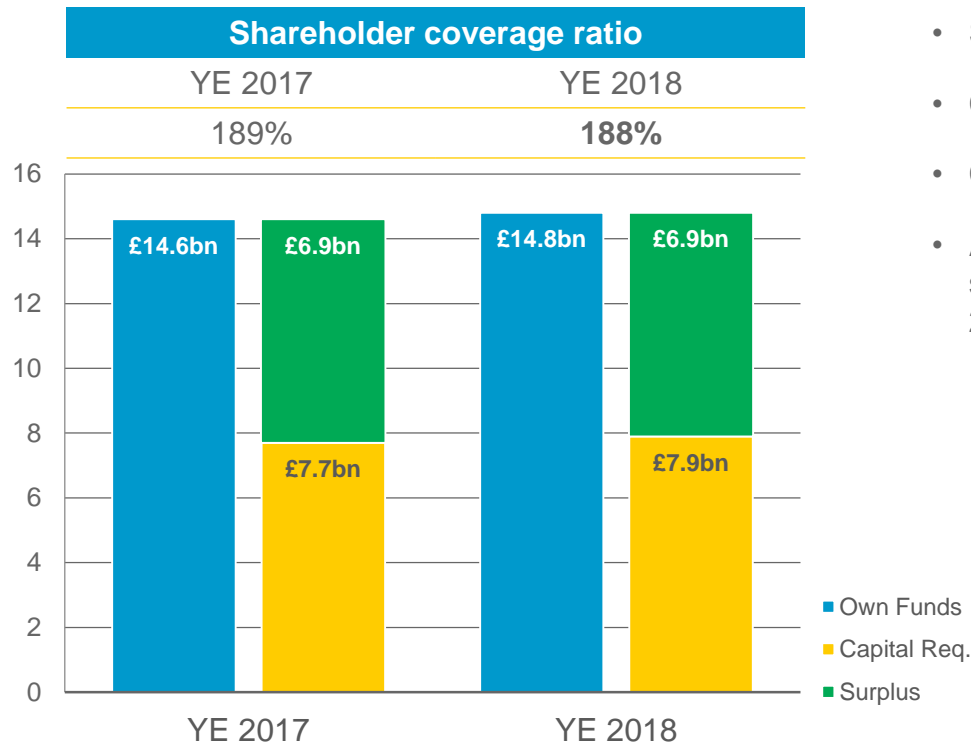
General Insurance: Financials

Financial Highlights	FY 2018	FY 2017
Operating profit (£m)	0	37
Profit before tax (£m)	(27)	43
Gross written premium (£m)	410	369
Of which: Direct channel (£m)	148	139
Combined operating ratio (%)	104	93
Excluding freeze & subsidence impacts¹:		
Operating profit (£m)	26	20
Combined operating ratio (%)	97	99

- **Premium up 11% to £410m**, in a competitive market
- Direct channel share of total premiums at **36%**
- Profit impacted by a number of severe weather related claims, notably Q1 freeze and Q3/Q4 subsidence surge, both impacts in line with wider market experience
- During the year we launched our first SmartQuote affinity partnership with Co-Op and our first Pet affinity partnership with Asda
- In addition we entered an arrangement to provide underwriting capacity to Pen Underwriting, who are a significant writer of UK property risks

1. Normalised result removing impact of weather and subsidence experience variance relative to expected long term view. For 2018 this increases profitability given the significant weather experience, whereas for 2017 profits reduce given relatively benign weather experience

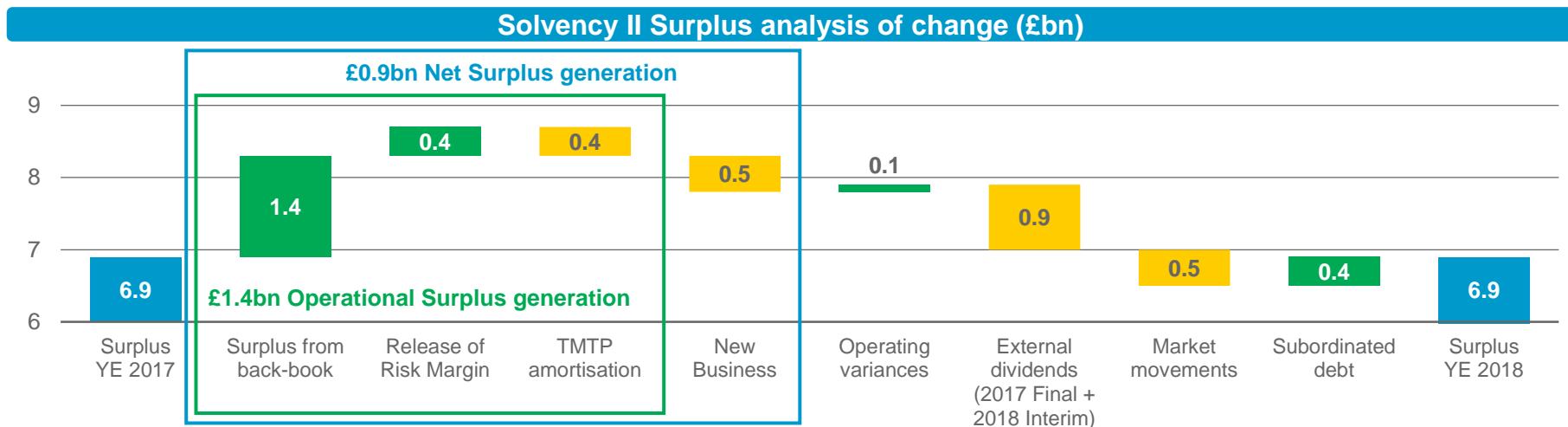
Solvency II Balance sheet: Robust capital position



- Solvency II surplus of **£6.9bn**
- Coverage ratio of **188%**
- Core tier 1 Own funds of **£11.5bn (78%)**
- **As at 4th March 2019**, and excluding £400m of subordinated debt which is to be redeemed on 1 April 2019, **we estimate the ratio was 190%**

The Solvency II figures incorporate management's estimate of the impact of recalculating the Transitional Measures for Technical Provisions (TMTP) as at 31 December 2018

Movement in the Solvency II Surplus



Net surplus Generation £0.9bn

- £1.4bn release from back-book, up 14%
- New business reduces surplus by £0.5bn, driven by record annuity volumes in LGR
- Strain on UK PRT less than 4%

Change in Surplus £0.0bn

- Operating variances of £0.1bn include the impact of experience variances, the change in our mortality assumptions across the business, changes to model calibrations and management actions
- Market movements £(0.5)bn reflect weaker asset markets, predominately equities, as well as a number of other smaller variances

Estimated Solvency II new business value metric

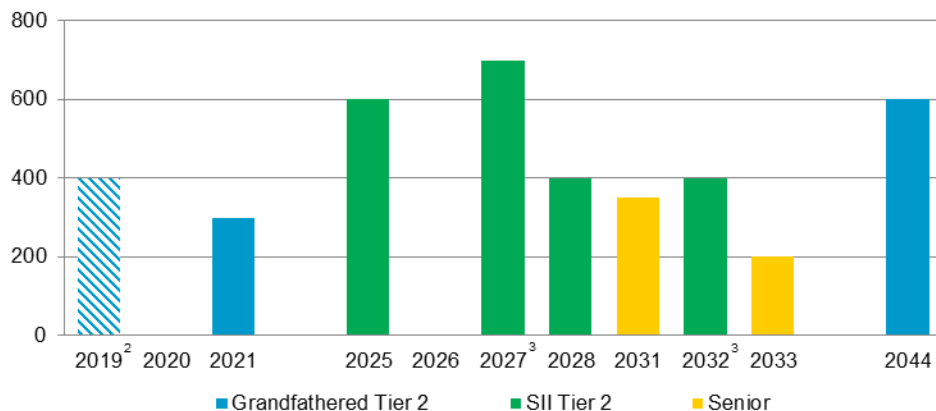
Business	PVNB ¹ (£m)	Contribution from new business (£m)	Margin ¹ %
UK Annuity business (LGR)	9,148	722	7.9
UK Insurance Total (LGI)	1,609	115	7.1
Retail Protection	1,271	93	7.3
Group Protection	338	22	6.4
LGI America (LGI)	854	96	11.2
Sub-total	11,611	933	8.0

- This metric provides a measure of the value created in the business allowing for the run-off of Solvency II capital
- Continue to maintain good margins and pricing discipline
- Much of the change from end 2017 attributable to some increased competition in UK Retail Protection and changes in business mix

1. Follows the principles of EEV, but assumes profit emergence on Solvency II basis. Other methodologies are unchanged. Margins are based on unrounded inputs

Debt instruments summary

Debt Redemption Profile (£m)¹



Rating Type	Entity / Instruments	Moody's	S&P
Financial Strength Rating	L&G Assurance Society Ltd	Aa3	AA-
Instrument Credit Ratings	L&G Finance plc / Senior	A2	A
	L&G Group plc / Tier 2	A3	BBB+
Outlook		Stable	Stable

Issue Date	Entity	SII Classification	Rating (Moody's / S&P)	Currency	Amount (Ccy m)	Coupon (%)	Call Date	Maturity Date
Mar 04	L&G Group plc	Grandfathered Tier 2	A3 / BBB+	GBP	400	5.875	April 2019	Perpetual
Jul 09	L&G Group plc	Grandfathered Tier 2	A3 / BBB+	GBP	300	10.0	July 2021	July 2041
Oct 15	L&G Group plc	SII Tier 2	A3 / BBB+	GBP	600	5.375	October 2025	October 2045
Mar 17	L&G Group plc	SII Tier 2	A3 / BBB+	USD	850	5.25	March 2027	March 2047
Nov 18	L&G Group plc	SII Tier 2	A3 / BBB+	GBP	400	5.125	November 2028	November 2048
Nov 00	L&G Finance plc	Senior	A2 / A	GBP	350	5.875	-	December 2031
Apr 17	L&G Group plc	SII Tier 2	A3	USD	500	5.55	April 2032	April 2052
Mar 02	L&G Finance plc	Senior	A2 / A	GBP	200	5.875	-	April 2033
Jun 14	L&G Group plc	Grandfathered Tier 2	A3 / BBB+	GBP	600	5.5	June 2044	June 2064

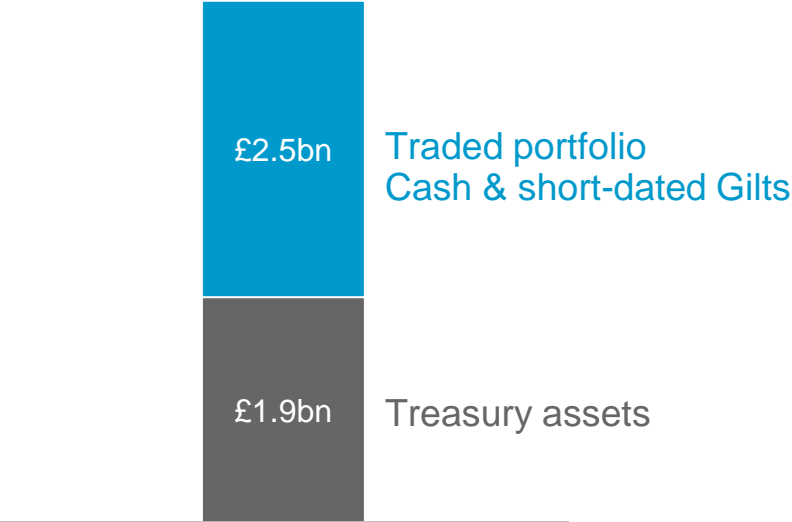
1. Legal & General outstanding debt and capital instruments greater than £100m, based on the earliest of the first call date or maturity date

2. On 4 February 2019, notification was given that the Group intended to redeem these notes in full on 1 April 2019

3. GBP/USD rate at time of pricing used to convert to £ equivalent

Cash position: £1.5bn surplus liquidity available for investment

Group liquidity resources

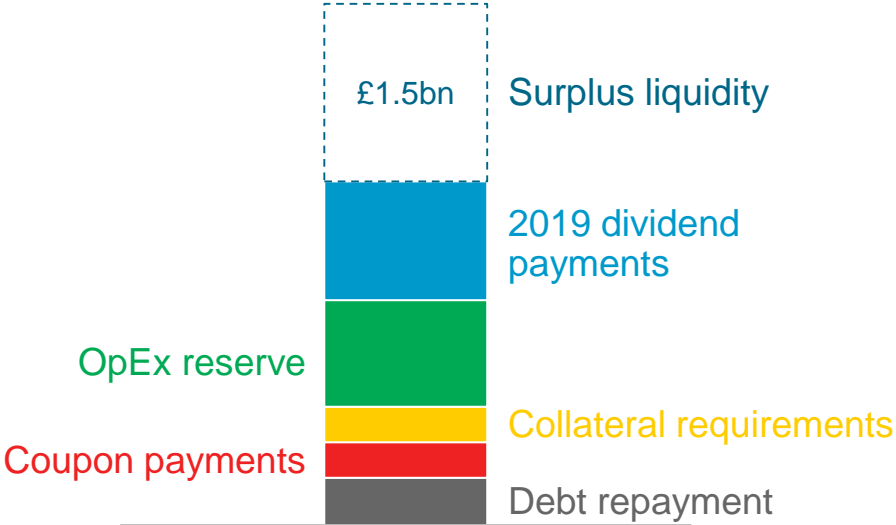


FY 2018

Total liquidity resources

£4.4bn

Group liquidity requirements



Total liquidity requirements

£2.9bn



Group Strategy



Growth compounders

Growth drivers	Opportunity	L&G impact
Ageing demographics	<ul style="list-style-type: none"> UK PRT market volumes of £30bn expected to be the new norm c.\$27bn annual US PRT opportunity Opportunities in the Netherlands, Ireland and Canada Lifetime mortgage (LTM) market growing to £6bn by 2020 	<ul style="list-style-type: none"> UK PRT, c.30% market share Continue to build on success in the US Market leading LTM offering >£1bn of LTM assets sourced p.a. New solutions for “later life living”
Globalisation of asset markets	<ul style="list-style-type: none"> ESG, FBI, European ETF markets all growing LDI / Solutions increasing US penetration Asian asset management becoming third global pillar 	<ul style="list-style-type: none"> Continue to broaden investment capability £42.6bn net inflows, of which £19.6bn International LGIM AUM £1tn, Revenue: £840m
Creating real assets	<ul style="list-style-type: none"> Regional devolution increasing demand for urban regeneration UK housing market shortfall, 340,000 units required p.a. Significant global infrastructure requirement 	<ul style="list-style-type: none"> Creating real assets to address societal need whilst benefitting shareholders and manufacturing assets for LGR Aim to build over 70,000 new homes in the next 5 – 10 years
Welfare reforms	<ul style="list-style-type: none"> UK DC market expected to grow to £871bn by 2026 UK ISA / D2C market £560bn in 2017, up 19%, growing to £1,340bn by 2022 	<ul style="list-style-type: none"> A market leader in UK DC assets, 18% market share UK DC AUM £71bn Digital / platforms investment commenced
Technological innovation	<ul style="list-style-type: none"> Utilising ever cheaper technology to improve customer outcomes Partnering with innovators and disruptors e.g. Salary Finance, Smartr365 	<ul style="list-style-type: none"> Unit cost efficiency in all businesses Disrupting ourselves to drive our businesses forward
Today’s capital	<ul style="list-style-type: none"> Committing capital to help UK Fintechs compete globally Continued demand for SME finance from the non-bank sector 	<ul style="list-style-type: none"> The future – start-up to scale up to grown up Opportunities to complement existing offering

Moving into high growth, high return businesses – many growth opportunities to seize

	LGR		LGC			LGIM	Insurance	
	PRT	Retail	Housing	Future Cities	SME Finance	Fund Management	Life	GI
UK	●	●	◐	◑	◑	●	●	●
USA	◑	○	○	○	○	◑	●	○
Europe	◑	○	○	○	○	◑	○	○
Asia	○	○	○	○	○	◐	○	○

- **UK** – Strategic roll out is completed – Execution is key
- **USA/Canada** – Growth options created – Accelerating growth is key
- **Europe/China/Japan** – Selective, measured successful market entry – Options created

Delivering inclusive capitalism

Between 2011 – 2015 we achieved a 10% growth in EPS

Our ambition is to replicate this performance out to 2020:
11% achieved to date

Investing & Annuities

- Achieve global leadership in pensions de-risking and provide a suite of products to maximise retirement income
- Use 'patient capital' to become the UK leader in direct investments including housing and regeneration

Investment Management

- Build a world class international asset management business
- Address UK savings gap through retail investments and workplace pensions

Insurance

- Deliver financial protection from life events for customers
- Become a leading data driven and digitally enabled insurer

Deliver Inclusive Capitalism

To be a leader in financial solutions and a globally trusted brand

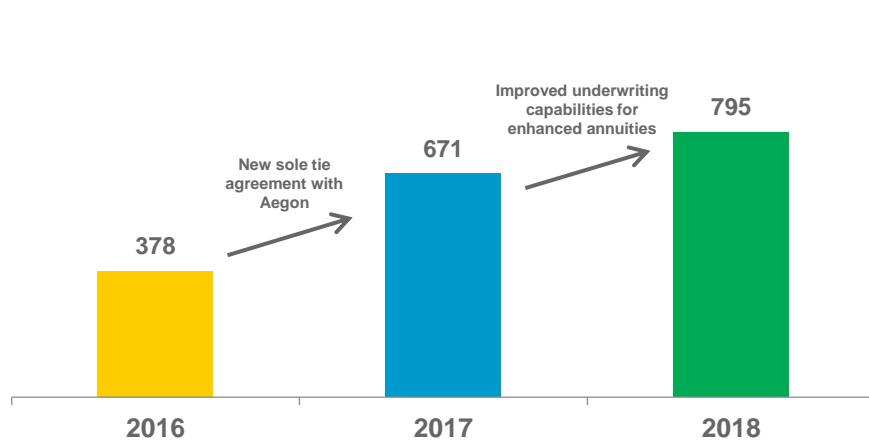


Appendix

LGRR: New business doubled since 2016

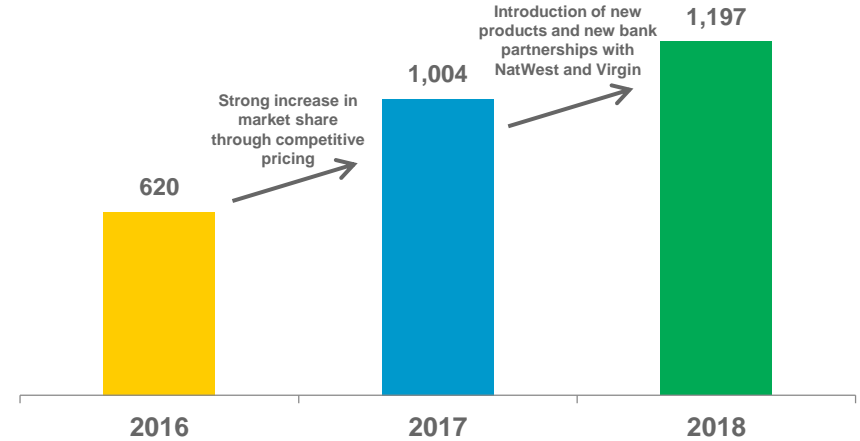
Operating Profit (£m)	2016	2017	2018
Operating Profit (excl. longevity release)	158	199	283

Individual Annuities premiums (£m)



- Significant growth in enhanced annuity volumes due to increased pricing sophistication; now number two in the enhanced market¹
- Market share has nearly trebled since Q1 2016 (7% to 19%)
- Further growth expected in 2019 through improved customer journey, expanding our distribution reach and further product enhancements

Lifetime Mortgages advances (£m)



- Strong growth due to product innovation and increased banking partners
- Growth expected to continue through further product innovation and by providing the best experience for our customers

LGIM: Long term strategic goal

Three fundamental themes

1. Broadening our investment capability

- Driving growth in fixed income active strategies, e.g. High Yield and Emerging Market Debt
- Enhancing Multi-Asset and Fiduciary Management offerings
- Expanding Real Assets global capability
- Innovating across Index including launching a series of LGIM ETFs

2. Addressing the savings gap

- Commenced investment into our customer facing businesses: Retail, Personal Investing & Workplace Savings – digital development of operating platform and customer experience
- Total workplace schemes increased to over 14,000 with in excess of 3.1 million customers
- One of the largest and fastest growing Mastertrusts in the UK, with over £5bn AUM

3. Internationalising our core strengths

- International AUM increased by 13% to £258bn
- Strong US flows at \$15bn, 417 external US customer mandates, up 23% from 2017
- Building Asian and European distribution capability, including our ETF platform
- Strong 2019 pipeline

LGC: Future Cities strategy

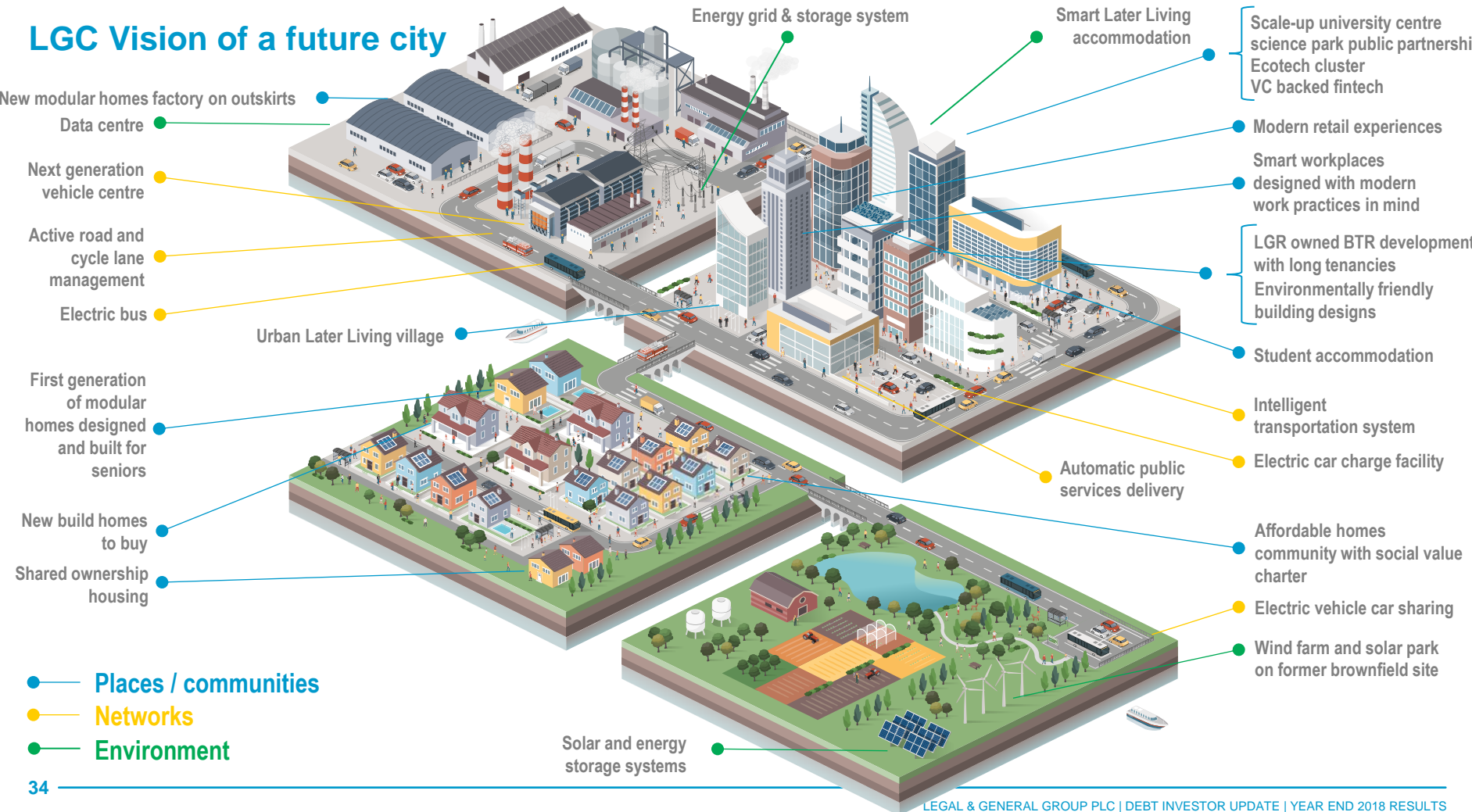
Making a positive difference to the UK economy

- Since 2015, LGC has committed over **£600m** to UK regeneration schemes worth **over £6bn**. Funding the creation of:
 - over 3.0m sq. ft. of commercial space
 - tens of thousands of jobs in Bracknell, Cardiff, Leeds, Newcastle and Manchester
- We have created a model and extensive relationships that we can build on and replicate
- Cities need investment to adapt, change and innovate:
 - creating sustainable communities with good employment opportunities, high quality and varied housing and
 - easy access to an efficient and comprehensive public transport system whilst
 - reducing our impact on the environment



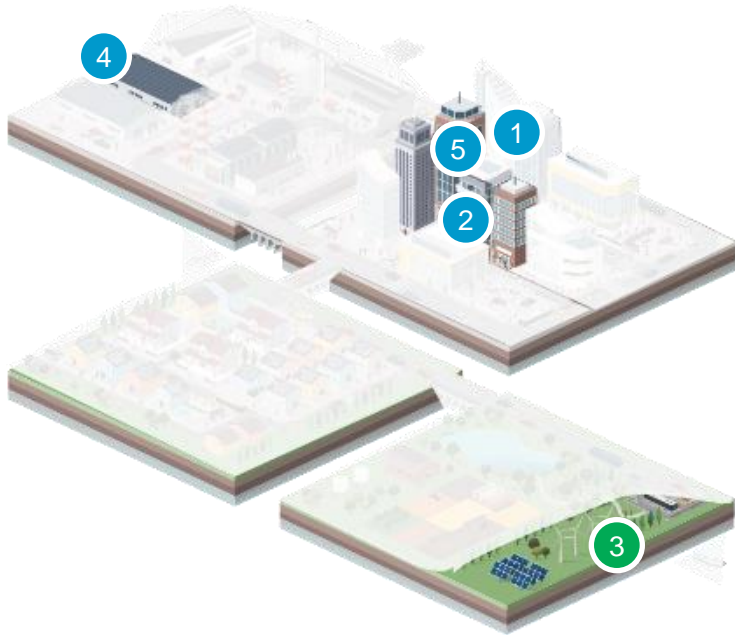
Driving the improvement of **places, networks** and the **environment**

LGC Vision of a future city



Leeds

Legal & General Capital activities



BTR scheme: Leeds City Centre



Innovative design and build: Modular factory



Modern commercial & retail: The Springs



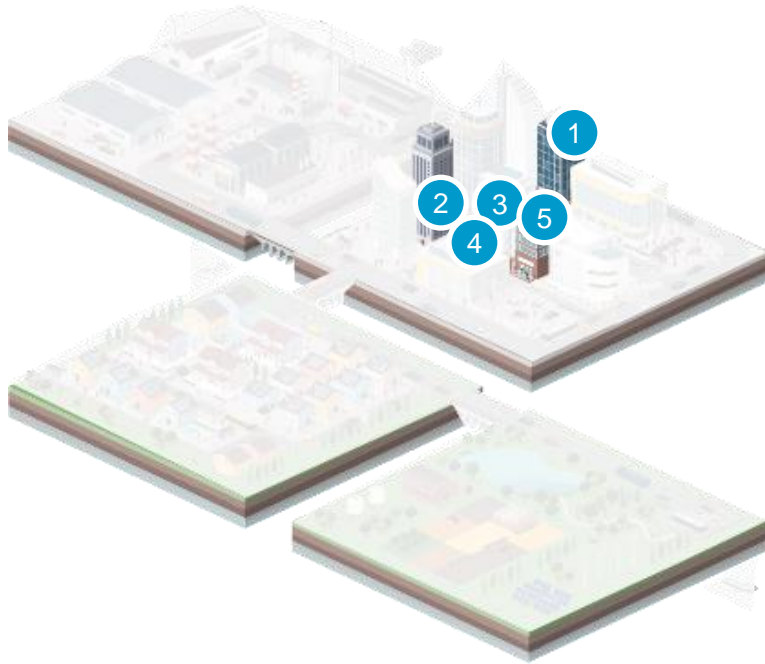
Technology and innovation: Bruntwood SciTech – The Platform



Solar and wind generation: Derbyshire and Yorkshire

Manchester

Legal & General Capital activities



BTR scheme: Salford



Mixed-use development: Salford New Bailey



University science and technology: Bruntwood SciTech - Bright Building



International hub for technology and innovation: MediaCity



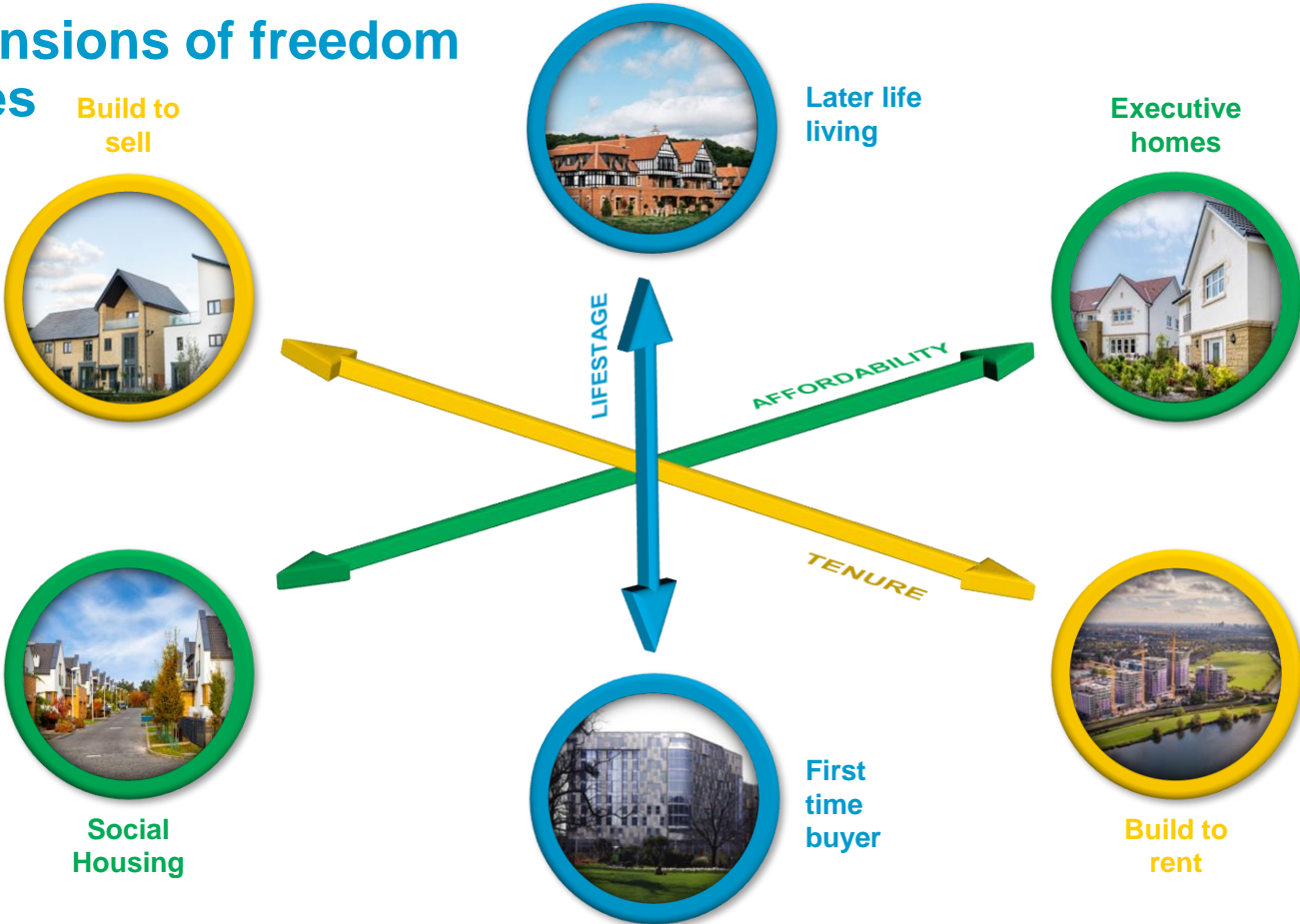
Innovation hub: Bruntwood SciTech - Citylabs

Infrastructure supporting Future Cities

Legal & General Capital activities



LGC: Three dimensions of freedom with L&G's Homes

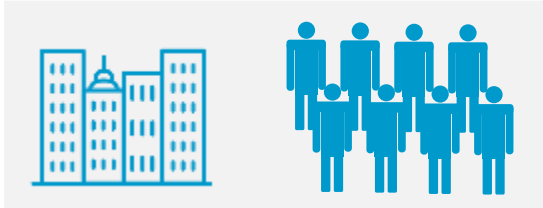


Traditional and modern methods of construction

LGC: What next?

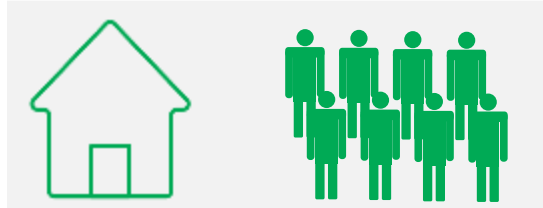
Future Cities

- Extend across more UK cities
- Explore concept applicability to the US



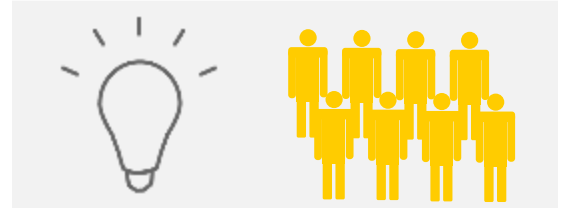
Housing

- Delivery and execution of Three Dimensions of Freedom housing strategy



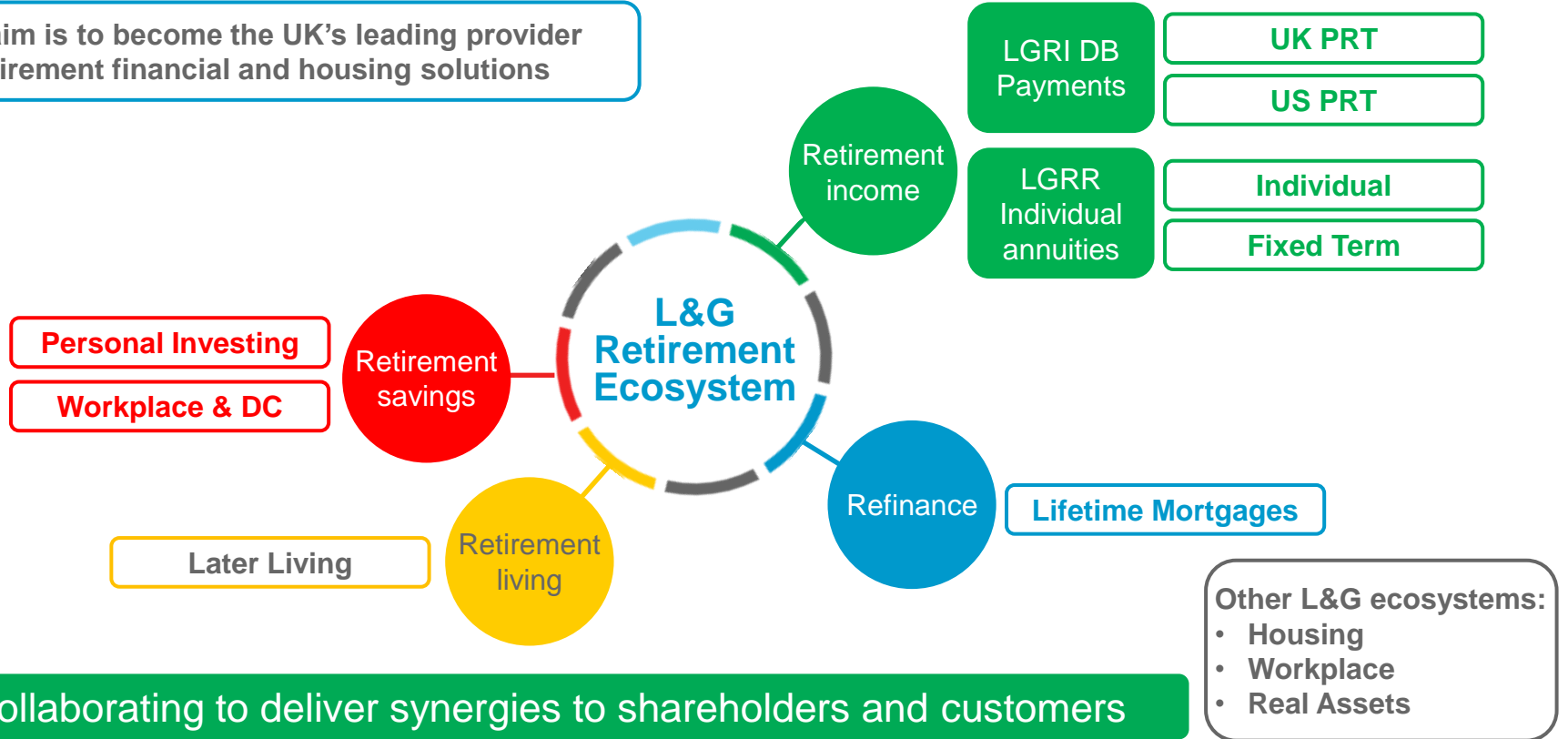
Investing in SMEs

- Selectively support “Start ups” to “Scale ups” strategy



L&G's UK Retirement ecosystem

Our aim is to become the UK's leading provider of retirement financial and housing solutions



Biographies



Jeff Davies
Group Chief Financial Officer

Jeff was appointed Group Chief Financial Officer on 9 March 2017. He was previously an actuarial partner at EY, with leadership roles in UK and Continental Europe. Prior to joining EY in 2004, he held a number of senior actuarial roles at Swiss Re Life & Health.

He is a Fellow of the Institute of Actuaries.

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Email: jeff.davies@group.landg.com



Frank Turley
Group Treasurer

Frank joined Legal & General in 2011 and was appointed Group Treasurer in 2012. He has 20 years' experience in Treasury & Global Markets spanning Treasury, Fixed Income, Derivatives & Equities; 18 years with HSBC Global Markets and 2 years with ANZ.

His career started in the UK and he has worked extensively in Asia and the Middle East.

Frank is a Fellow of the Institute of Actuaries.

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Email: frank.turley@group.landg.com



Monika Remenyi
Treasury Manager DCM

Monika joined Legal & General in August 2018. In her role as Treasury Manager DCM she is responsible for the Group's long term and short term debt programmes and issuance along with debt investor relations.

She has over 10 years' experience across Finance and Treasury; 8 years with RBS and 3 years with RZB.

Monika is a Fellow of the Association of Chartered Certified Accountants.

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Forward looking statements

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