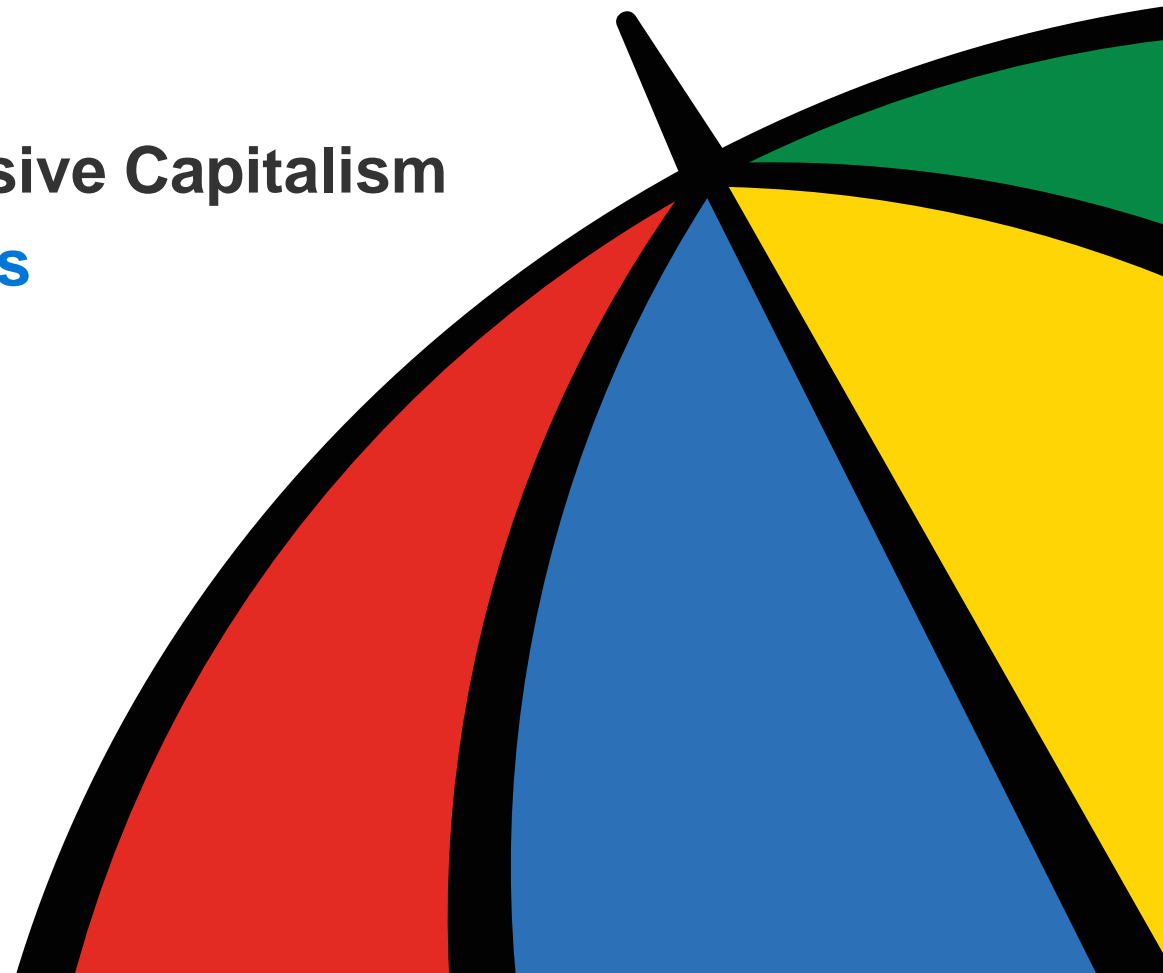


2019 Full year results

Delivering shareholder value through Inclusive Capitalism

Achieved our 5 year EPS ambition in 4 years



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.

Financial highlights

£2,514m

+17%

Operating profit from divisions¹
2018: £2,152m

28.66p

+16%

Earnings per share²
2018: 24.74p

20.4%

Return on equity
2018: 22.7%

156p

+9%

Book value per share
2018: 143p

£1.6bn

+9%

SII operational surplus generation
2018: £1.4bn

17.57p

+7%

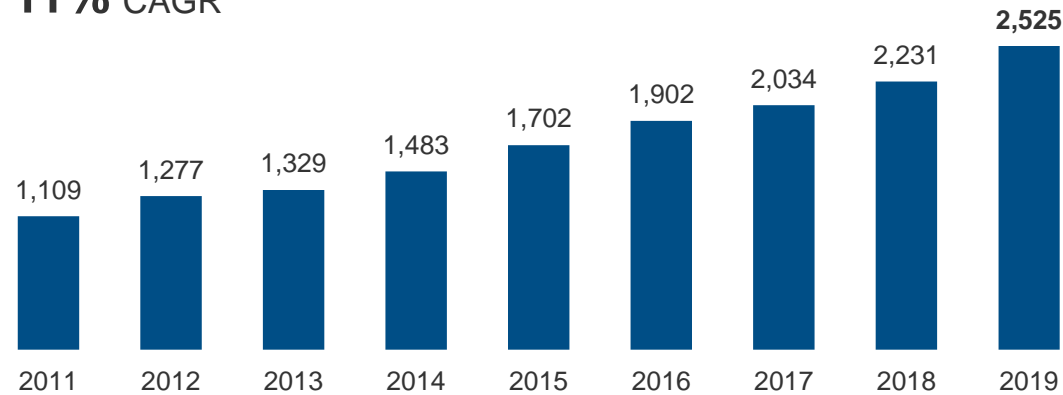
Full year dividend
2018: 16.42p

An established track record of consistent growth

Achieved our 5 year EPS ambition in 4 years, delivering 58% growth

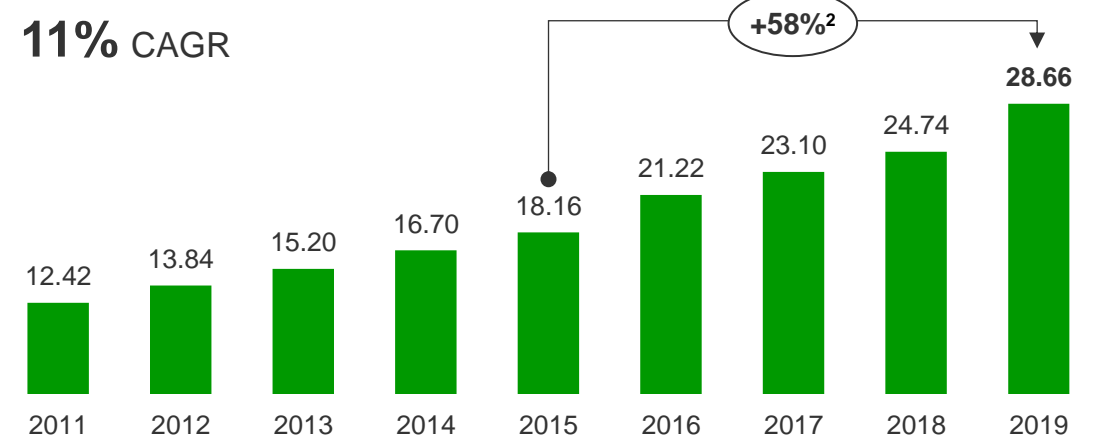
Operating profit from divisions¹ (£m)

11% CAGR



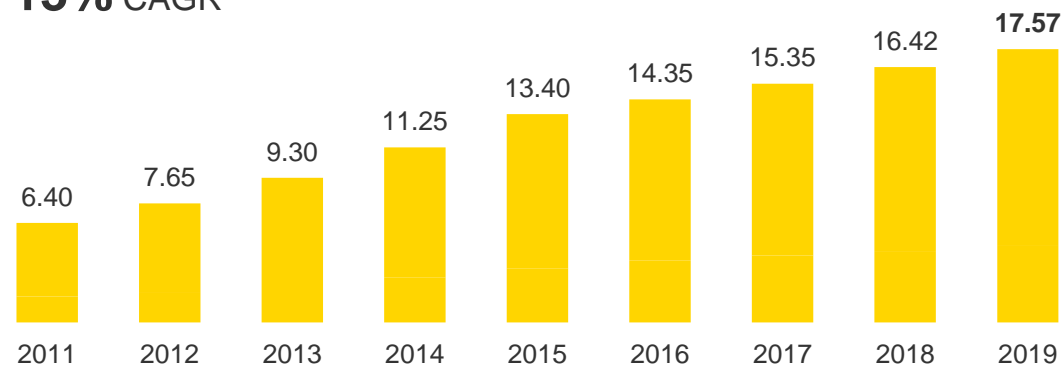
Earnings per share (p)

11% CAGR



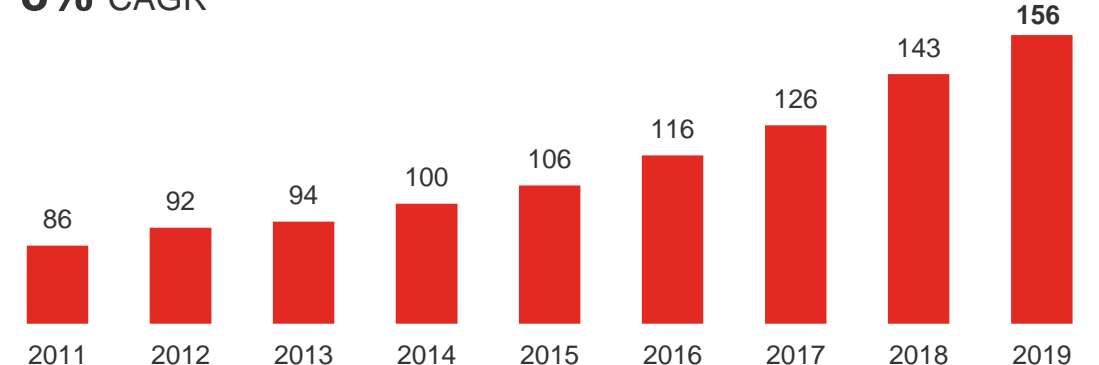
Dividend per share (p)

13% CAGR

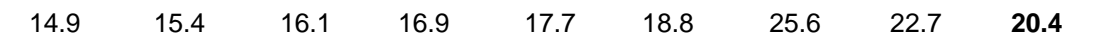


Book Value per share (p)

8% CAGR



ROE (%)



Our focused strategy continues to deliver profitable growth

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	355	366	400	407	423	4
LGC	Capital Investment	233	257	272	322	363	12
LGI	Insurance ²	288	303	303	308	314	2
LGRR	Retirement Solutions ¹	123	158	199	283	298	25
Continuing operating profit from divisions		1,515	1,735	1,890	2,152	2,514	13
EPS excluding mortality release ³ (p)		18.16	21.22	23.10	24.74	28.66	12

1. Excludes mortality reserve releases

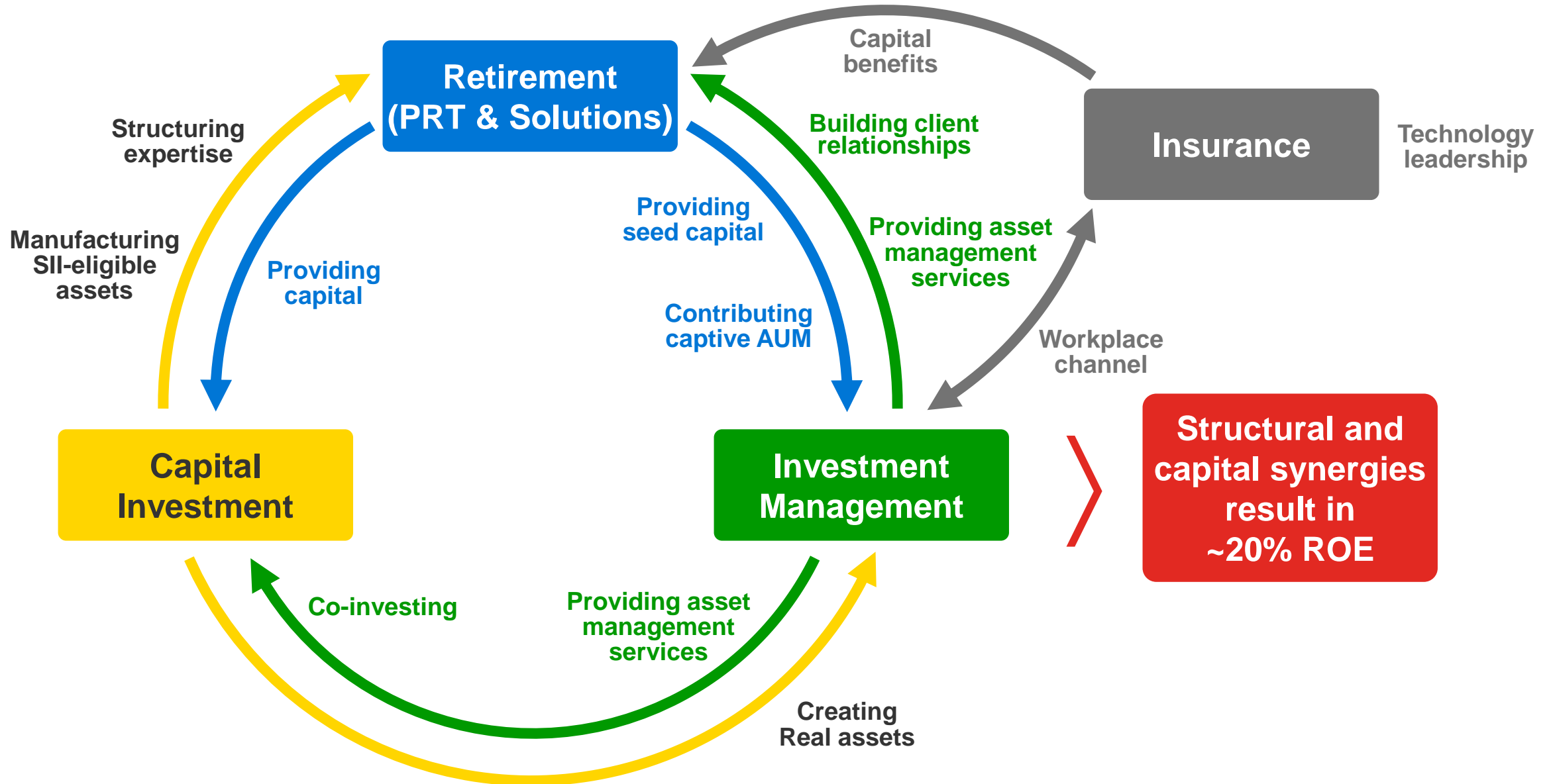
2. LGI results adjusted to exclude profits generated by Legal & General France and Legal & General Netherlands, which were disposed of in 2015 and 2017 respectively

3. 2017 EPS of 23.10p also excludes the one-off benefit of £246m following the US tax reform

We continue to deliver strong growth in new business

Division	Business	Product	2015	2016	2017	2018	2019	CAGR %
LGRI	Pension Risk Transfer (PRT)	Global bulk annuity premiums (£m)	2,417	6,630	3,948	9,140	11,392	47
LGIM	Investment Management	External net flows (£bn)	37.7	29.2	43.5	42.6	86.4	23
LGC	Capital Investment	Direct investments AUM (£m)	867	1,137	1,450	2,359	2,877	35
LGI	Insurance	Gross written premiums (£m)	2,215	2,409	2,531	2,580	2,729	5
LGRR	Retirement Solutions	Individual annuity premiums (£m)	327	378	671	795	970	31
		Lifetime Mortgage advances (£m)	201	620	1,004	1,197	965	48

A collaborative business model creating value for shareholders



Financial highlights

Delivering shareholder value

Jeff Davies
Chief Financial Officer



Financial highlights: Consistent delivery in 2019

Metric	FY 2018	FY 2019	%
Operating profit from continuing divisions (£m)	2,152	2,514	17
Discontinued operations (£m)	79	11	n/a
Operating profit from divisions (£m)	2,231	2,525	13
Group debt costs (£m)	(203)	(208)	(2)
Group investment projects & expenses (£m)	(126)	(186)	(48)
Operating profit excluding mortality release (£m)	1,902	2,131	12
Mortality release (£m)	433	155	n/a
Operating profit (£m)	2,335	2,286	
Investment & other variances (£m)	(207)	(174)	n/a
Profit before tax (£m)	2,128	2,112	
Profit before tax excluding mortality release (£m)	1,695	1,957	15
Earnings per share excluding mortality release (p)	24.74	28.66	16
Return on equity (%)	22.7	20.4	
SII operational surplus generation (£bn)	1.4	1.6	9
SII coverage ratio (%)	188	184	

LGR: Consistently delivering, record £13bn new business

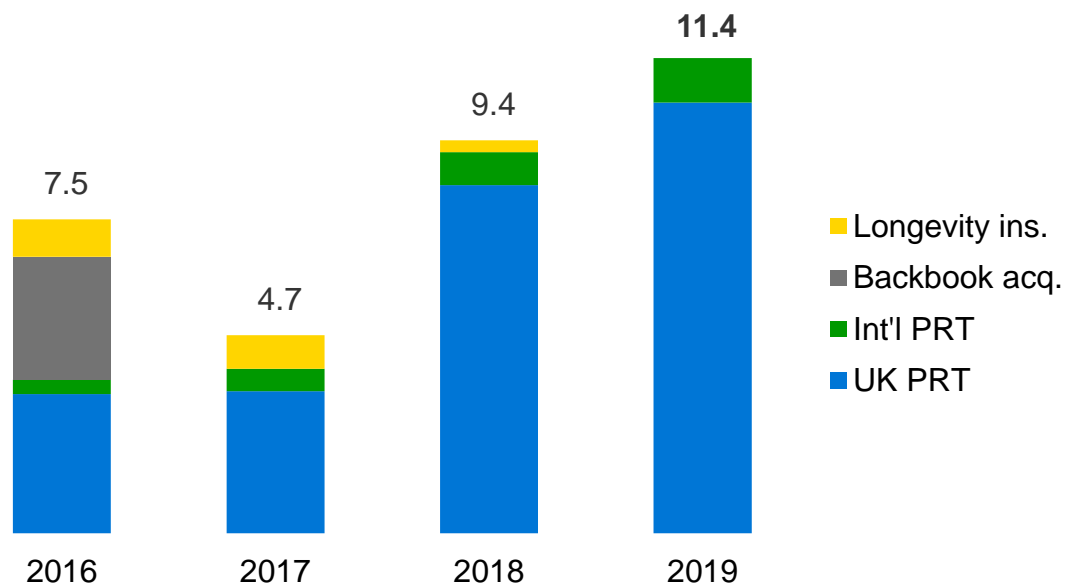
Financial Highlights	FY 2018	FY 2019
Operating profit excl. mortality release (£m)	1,115	1,414
- LGR Institutional	832	1,116
- LGR Retail	283	298
Profit before tax excl. mortality release (£m)	1,210	1,457
Mortality release (£m)	433	155
Total LGR new business (£m)	11,419	13,327
- LGR Institutional	9,427	11,392
- LGR Retail	1,992	1,935
Total annuity AUM (£bn)	63.0	75.9
Of which: Direct investments (£bn)	15.7	21.6
Solvency II New business value ¹ (£m)	722	890
Solvency II New business margin ¹ (%)	7.9	7.9

- **Operating profit excluding mortality releases of £1,414m up 27%**, reflecting:
 - Strong performance from back book prudential margin unwind
 - Record PRT new business volumes of £11.4bn and 22% growth in Individual annuity volumes to £970m
 - Positive variances driven by routine updates to our mortality assumptions
- We have maintained pricing discipline in a competitive UK PRT market and kept associated **SII new business strain at c.4%**
- UK annuities achieved a **SII new business margin of 7.9%**, in line with 2018

LGRI: Record new business

Total Sales (£m)	FY 2018	FY 2019
UK Pension Risk Transfer	8,351	10,325
International Pension Risk Transfer	789	1,067
Longevity insurance	287	-
Total LGRI New Business	9,427	11,392

LGRI New Business (£bn)

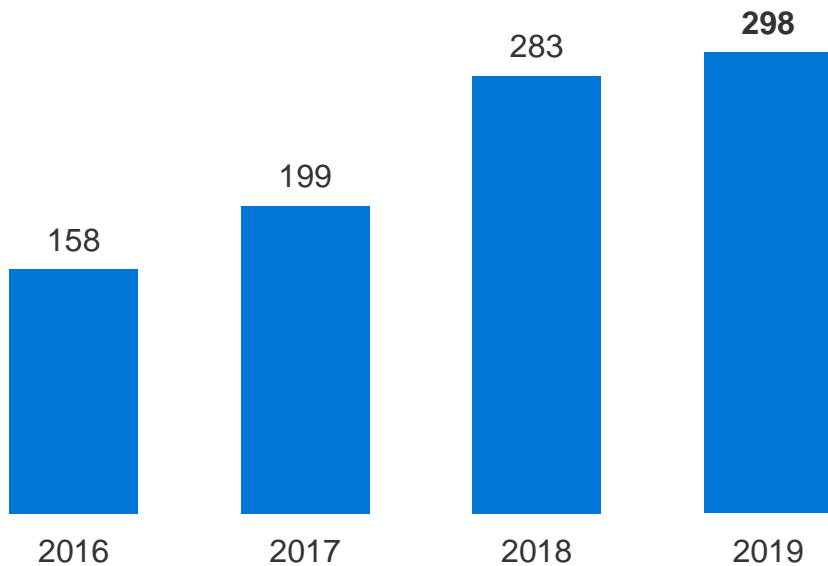


- **£11.4bn premium for global PRT transactions** including:
 - **£4.6bn** bulk annuity for the Rolls-Royce UK Pension Fund
 - **£1.6bn** bulk annuity with National Grid UK Pension Scheme (total pension size: £20bn)
 - A third and final bulk annuity for the Hitachi Plan, the culmination of a seven year de-risking journey
 - One of the first transfers from fiduciary management to pension buyout
 - The launch of a new, capital-light product – the Assured Payment Policy
- **Over the past three years, 51% of UK PRT transactions were from existing LGIM clients¹**
- **On-going international expansion**, with premiums up 35% year on year:
 - Continued growth year on year in US with **over \$1bn** written in 2019
 - First Canadian transaction through our Canadian partnership with Brookfield Annuity Company of more than CAD \$200m

LGR: Increasing annuity volumes driving profit growth

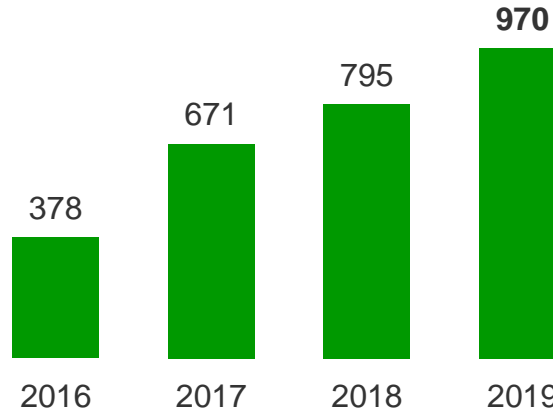
Operating Profit excl. mortality release (£m)

24% CAGR



- Strong growth in operating profit driven by increasing annuity volumes at sustained margins

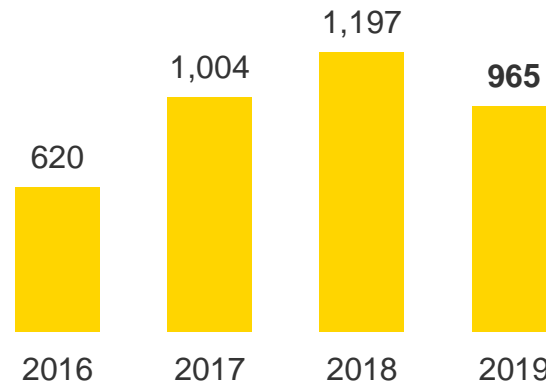
Individual Annuity Sales (£m)



Individual annuity sales up 22% to £970m

- Higher sales benefiting from improved enhanced annuity proposition and increased intermediary presence
- Introducer arrangement with Prudential (which began in November 2019) expected to increase sales by 15% in 2020
- Doubled market share since 2016

Lifetime Mortgage Sales (£m)

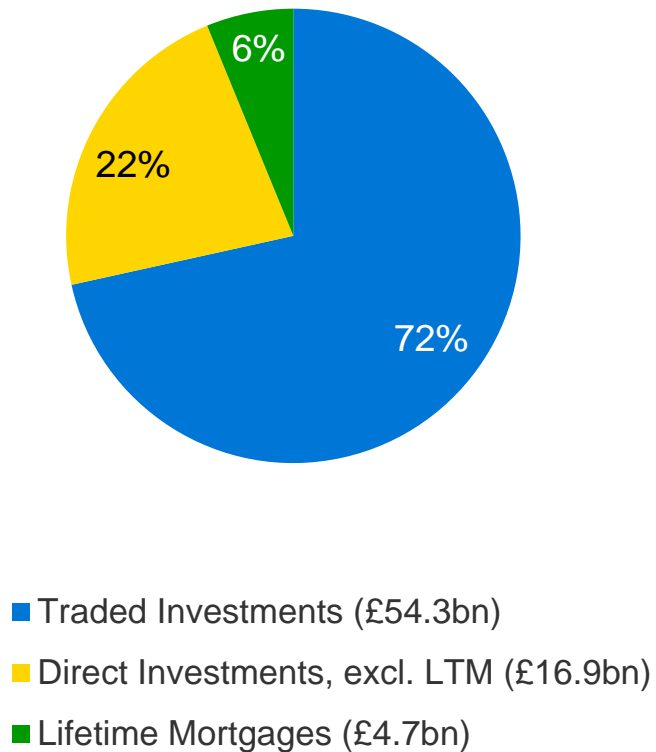


Lifetime mortgage advances of £965m

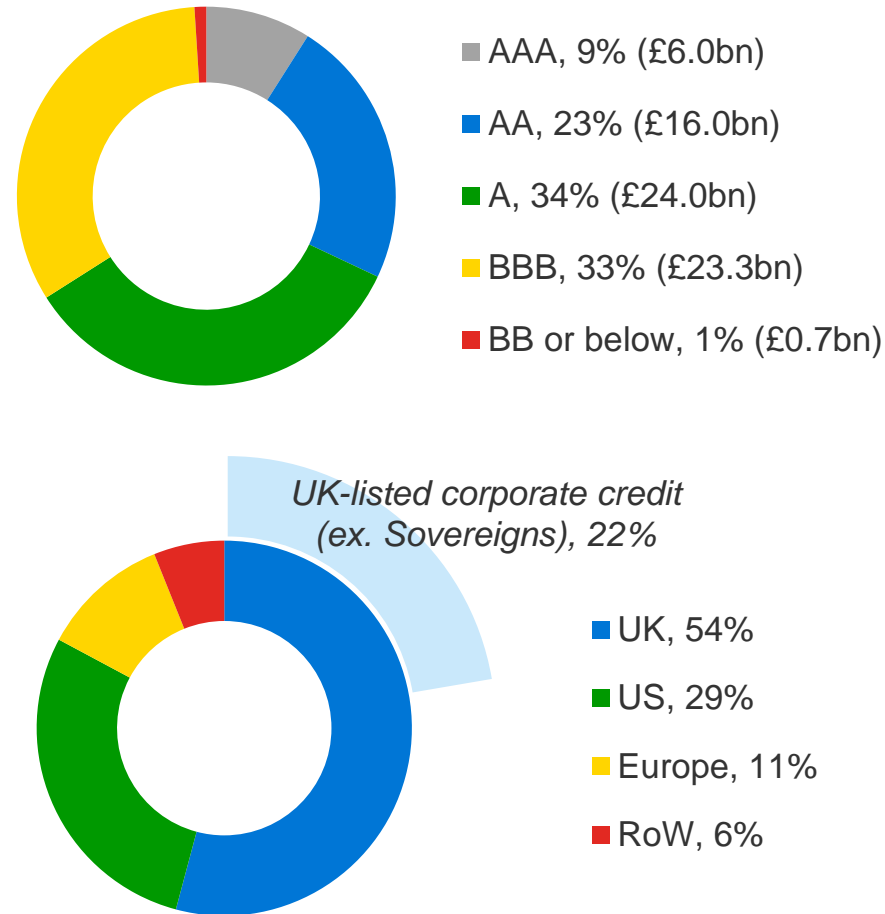
- L&G focused on managing risk by maintaining pricing and underwriting discipline (25% market share)
- Now ready to move into the mainstream mortgage market through Retirement Interest Only (RIO) mortgage offering
- Launched own advice business to complete vertically-integrated model

LGR: diversified portfolio, high quality assets

LGR Asset portfolio - £75.9bn



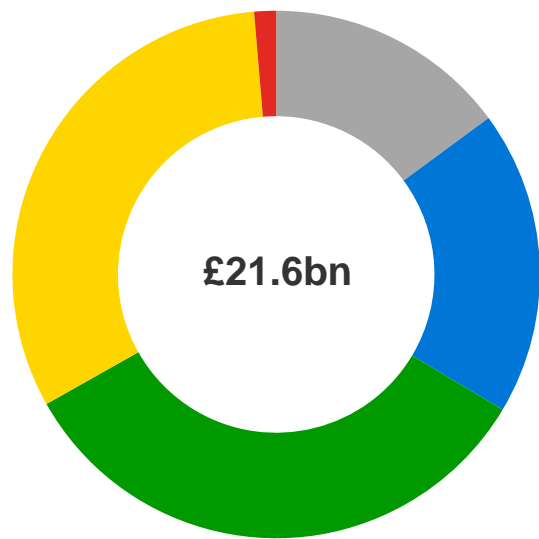
LGR Bond Portfolio



- **17%** of bonds in Sovereign-like assets
- Two-thirds **A rated or better**
- 22% of LGR's bond portfolio invested in UK-listed corporate credit (ex. Sovereigns)
 - Of which 46% are in multi-nationals, e.g. GSK, Vodafone, Unilever
- Bank exposure reduced from c.20% pre-crisis to 4.6%
- Minimal portfolio exposure to sectors at risk of disruption, e.g. automotive and traditional retail together constitute <2%
- Climate filters applied to new investments in line with TCFD commitments
- Non-GBP FX exposure hedged
- Credit default reserve at **£3.2bn**

LGR: unique and high quality Direct Investment portfolio

LGR DI Portfolio* (2019)



- AAA, 15% (£3.2bn)
- AA, 19% (£4.0bn)
- A, 33% (£7.2bn)
- BBB, 32% (£6.9bn)
- BB or below, 1% (£0.3bn)

- **Diversified and high quality DI portfolio of £21.6bn:**
 - 1% sub investment grade
 - >90% of portfolio MA eligible
- Primary exposure is to the underlying high quality tenant on rental income, not property risk, e.g. Amazon
- Largest DI counterparty exposure is to quasi-sovereign:
 - HMRC (5% of total DI)
 - Secretary of State (1% of total DI)
 - Transport for London (1% of total DI)
- LGR originated £4.3bn of new, high quality DI during the year. Completed first deals with Affordable Housing and Build-to-Rent

DI ESG Investments

- **£1.1bn** of renewable and alternate energy investments, predominantly in solar and offshore wind
- **£1.3bn** of affordable public housing investments helping to solve the UK's housing shortage. In 2019, LGR:
 - Funded its first Build-to-Rent investment in London for £250m
 - Added several affordable housing assets to its portfolio, including a £45m investment in public housing in Croydon, a suburb of London
- Commitment to decarbonise the assets on our balance sheet to align with the Paris objective

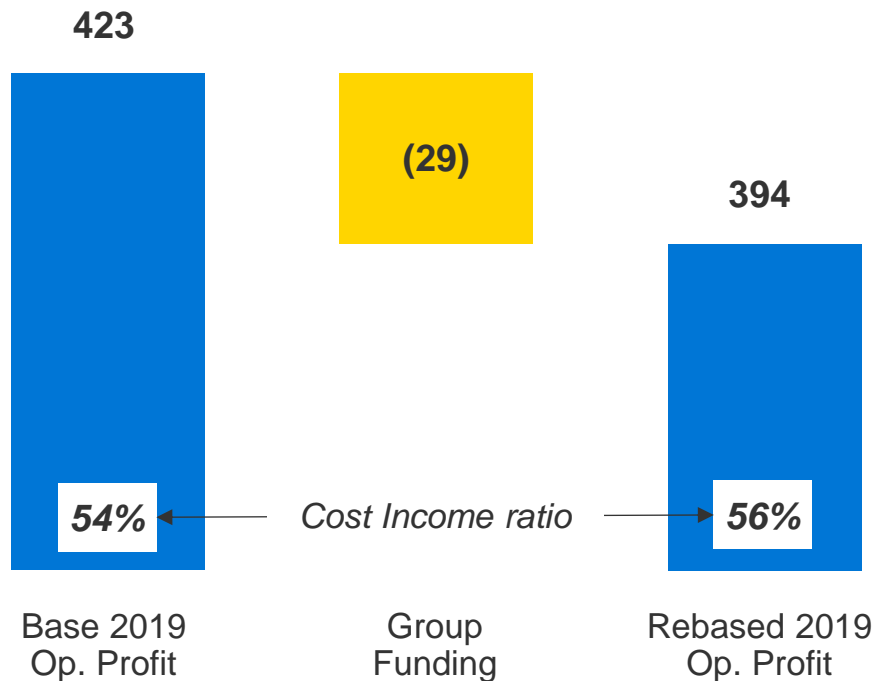
LGIM: Record external net flows of £86bn

Financial Highlights	FY 2018	FY 2019
Asset management revenue ¹ (£m)	847	912
Asset management expenses ¹ (£m)	(443)	(491)
Workplace Savings operating profit (£m)	3	2
Total LGIM operating profit (£m)	407	423
External net flows (£bn)	42.6	86.4
Of which: International (£bn)	19.6	59.2
External net flows % of opening AUM	4.8	9.4
Closing AUM (£bn)	1,015	1,196
International AUM (£bn)	258	370
UK DC AUM (£bn)	71	94
Retail AUM (£bn)	31	39
Asset management cost : income ratio (%)	52	54

- Operating profit up **4% to £423m**
- **Net flows of £86.4bn (9.4% of opening external AUM)**, of which **£59.2bn International**:
 - International flows included £37bn passive mandate with the Japan Government Pension Investment Fund, which provides a long term foundation for future growth in Japan and the broader region
 - Our European (ex. UK) business performed well, with net flows of £11.6bn, reflecting the continued focus we have placed on the region
- **AUM up 18% to £1.2tn**, with continued diversification across channels, regions, and product lines:
 - **International AUM of £370bn**
 - A market leader in **UK DC with £94bn of AUM, with 3.5m Workplace members**. Strong net flows of £7.3bn
 - Retail ranked 2nd in both gross and net UK retail sales² in 2019 with high demand for multi-asset and index products, despite challenging market conditions
- **Cost : income ratio of 54%** reflects our **continued investment** in areas of the business experiencing strong growth and where increased automation and simplification will generate operational leverage

LGIM: An on-going commitment to profitable growth and investment

LGIM Re-based Operating Profit (£m)



- Going forward, LGIM-related project expenditure currently reflected in Group Investment projects, will be allocated to the LGIM result:
 - In 2019, this was equivalent to £29m of expenses. This would have increased LGIM's cost : income ratio from 54% to 56%
 - In 2020, we expect this to be c.£20m of expenses
- Allows increased transparency and accountability of spend for management, and aligns with general practice in the rest of the Group
- No impact on overall Group results

LGC: Delivering profits and generating assets for LGR

Financial Highlights	FY 2018	FY 2019
Operating profit (£m)	322	363
- Direct Investments	188	217
- Traded portfolio and Treasury	134	146
Investment and other variances (£m)	(273)	91
Profit before tax (£m)	49	454
Assets (£m)	8,642	8,990
- Direct Investments	2,359	2,877
- Traded portfolio and Treasury	6,283	6,113
of which: Cash and Treasury assets	4,438	3,579

- **LGC operating profit up 13% to £363m**, driven by our diversified and growing Direct Investments portfolio
- **Direct Investments assets up 22% to £2.9bn:**
 - **Homes up 28% to £1,483m.** CALA revenues up 6% to £1bn, Affordable Housing business profitable in first year of operation
 - **Future Cities up 18% to £930m.** Development partnership with Oxford University, with funding provision of up to £4bn from shareholder, annuity and LGIM-managed funds for the development of university accommodation, and science and innovation districts in and around Oxford
 - **SME Finance up 12% to £464m.** Pemberton¹ has accelerated capital deployment across all funds: €3bn invested in 2019
- Profit before tax of £454m, driven by strong equity markets in the Traded portfolio
- Cash and Treasury assets movement reflects further investment in Direct Investments and equities, including the LGIM Future World fund range, contributing to our commitment to reduce the carbon emission intensity of the Group's assets

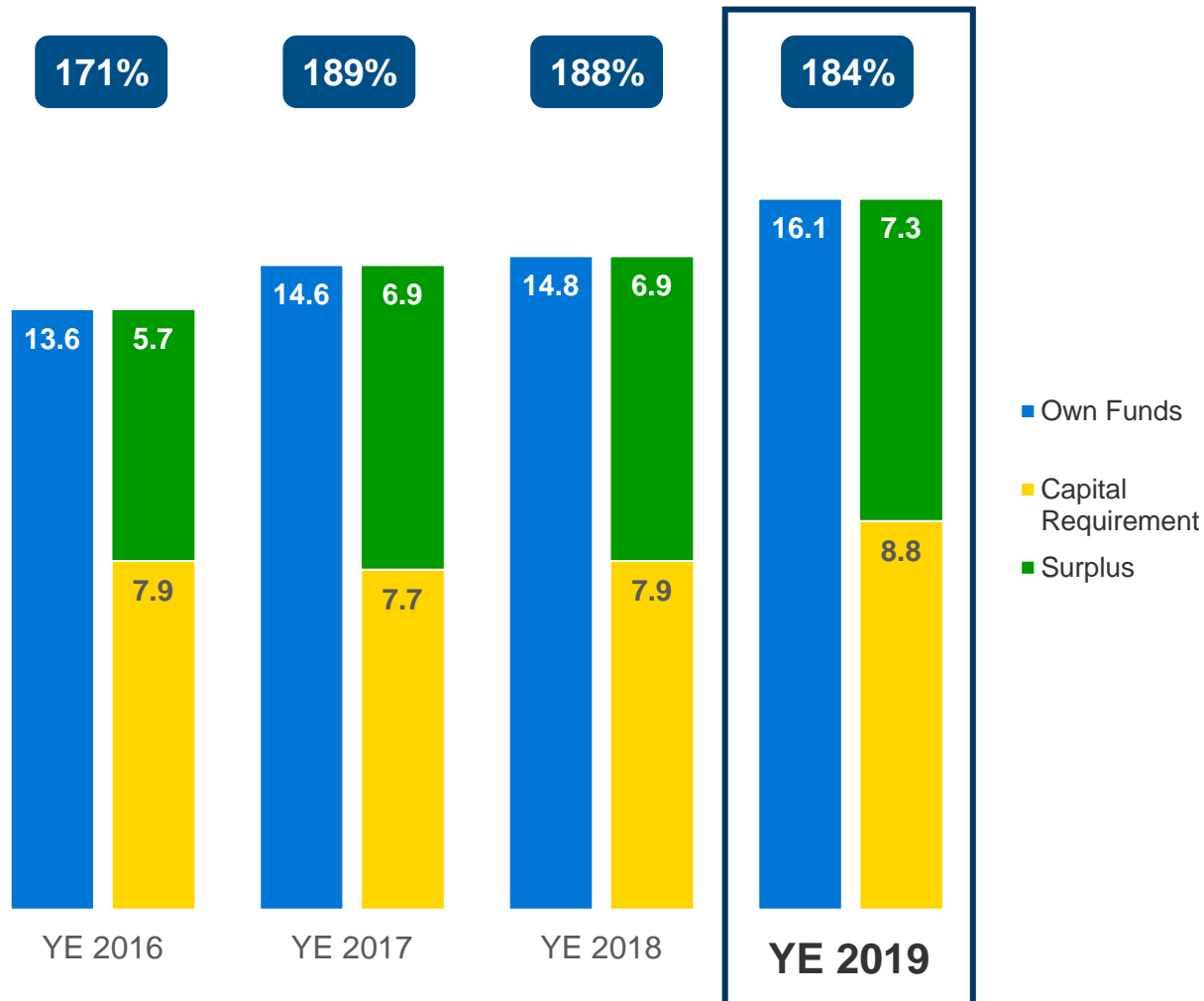
LGI: Stable margins in competitive markets

Financial Highlights	FY 2018	FY 2019
Operating profit (£m)	308	314
- UK	246	223
- US	62	91
Investment and other variances (£m)	(1)	(234)
Profit before tax (£m)	307	80
Gross written premium (£m)	2,580	2,729
- UK	1,608	1,672
- US	972	1,057
Solvency II New business value (£m)	206	216
- UK	115	122
- US	91	94

- **Operating Profit up 2% to £314m**, continuing to contribute stable profits to the Group:
 - **UK Operating Profit down 9% to £223m**, due to a change in intra-group reinsurance of US business, and the prior year benefiting from model refinements
 - **US Operating Profit up 47% to £91m**, driven by the reinsurance change and a reserve release following improvements to our IFRS methodology, partially offset by adverse mortality, consistent with experience across the broader US life sector
- Profit before tax down to £80m, impacted by the fall in government yields in both the UK and the US
- **Strong growth in gross written premium, up 6% £2.7bn**, supported by all business lines
- **SII NBV up 5% to £216m**, reflecting improved margins in the UK
- \$109m dividend paid by LGIA on 27 Feb 2020 (2019: \$107m)

Solvency II Balance sheet

Solvency II Balance Sheet (£bn)



YE 2019 Solvency position

- Solvency II surplus of **£7.3bn**
- Coverage ratio of **184%**
- Core tier 1 Own funds of **£12.4bn (77%)**

As at 28 February 2020, coverage ratio was 174%¹

Group risk profile on a pre-diversified basis

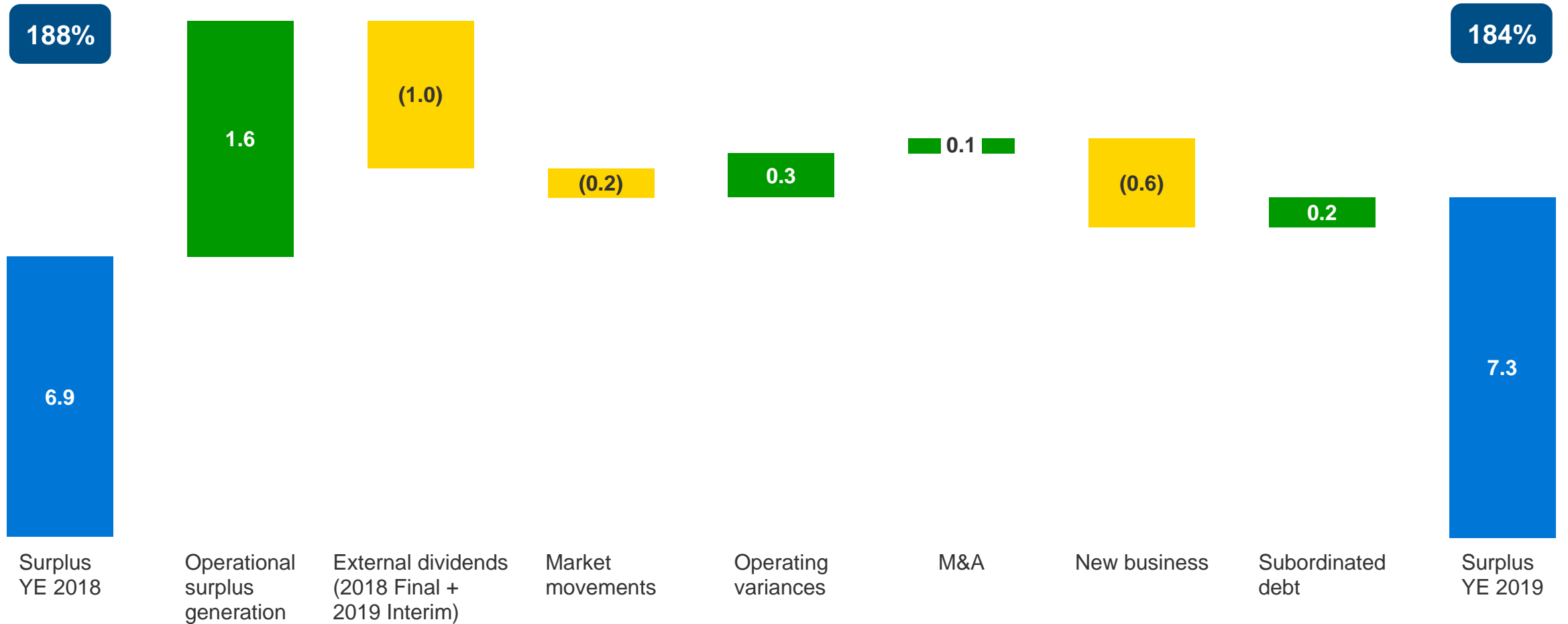
- Primary exposures are to Longevity & Credit (c.50%)
- Economic exposure to interest rates is low (1%)

We have maintained solvency while paying a progressive dividend and investing in new PRT

- Operational surplus generation over 4 years **£5.4bn**
- Dividends paid over 4 years **£3.6bn**
- Annuities written over 4 years **£33.9bn**

Movement in the surplus

Solvency II surplus analysis of change (£bn)



Financial highlights

£2,514m

+17%

Operating profit from divisions¹
2018: £2,152m

28.66p

+16%

Earnings per share²
2018: 24.74p

20.4%

Return on Equity
2018: 22.7%

184%

174%³ at 28 February 2020

Solvency II coverage ratio
2018: 188%

£1.6bn

+9%

SII operational surplus generation
2018: £1.4bn

17.57p

+7%

Full year dividend
2018: 16.42p

Building Inclusive Capitalism

Nigel Wilson
Chief Executive Officer



Large shares in existing markets, expanding into new ones

Our strategy is aligned to our 6 structural growth drivers

Growth Drivers	Market Opportunity	Market Share %	Market Size	Growth Drivers	Market Opportunity	Market Share %	Market Size
Ageing Demographics	• UK PRT	25	£42bn ¹	Welfare Reforms	• UK DC AUM	22	£438bn
	• US PRT	4	\$30bn ¹		• UK ISA AUM	c.1	£608bn
	• UK Individual Annuities	19	£4bn ¹		• VC into DC (NM)	-	-
	• UK LTM	25	£4bn ¹		• Affordable Homes (private) (NM)	<1	57k ²
	• UK Later Living (NM)	c.3	4.7k ²		• Retail Protection (APE)	23	£770m ¹
Globalisation of asset markets	• Global AUM	1.7	\$74tn	Technological Innovation	• Lower unit costs, better service		
	• Global Revenues	<1	\$279bn		• Retail Protection		
	• Global Solutions AUM	6	\$11tn ³		• LGRI small scheme processing		
Investing in the Real Economy	• UK Build to sell	1	165k ²	Addressing Climate Change	• SalaryFinance		
	• UK Build to rent (NM)	7	10k ²		• SciTech		
	• Pemberton	-	-		• Clean investment opport'ies (NM)		
	• UK Infrastructure	n/a	>£500bn deficit		• ESG fund range		
					• De-carbonisation (NM)		

NM denotes New Market

Market size and share is based on most recent available data and in some cases L&G estimates

1. Market size per annum

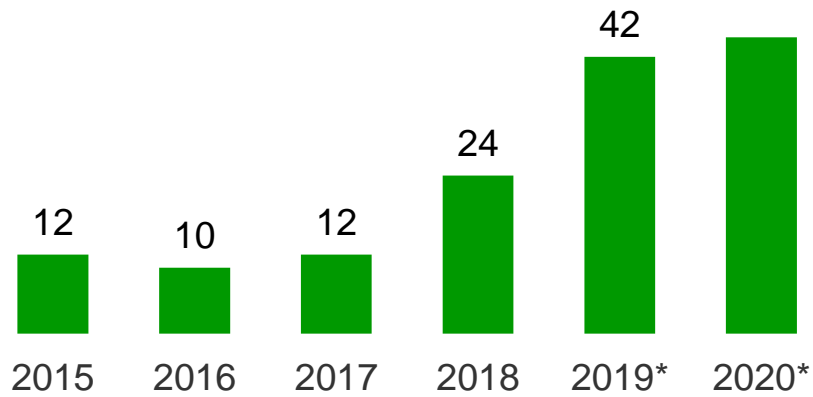
2. Market size represents units built per annum

3. Global Solutions AUM of \$11tn includes LDI, Multi-Asset and Solutions

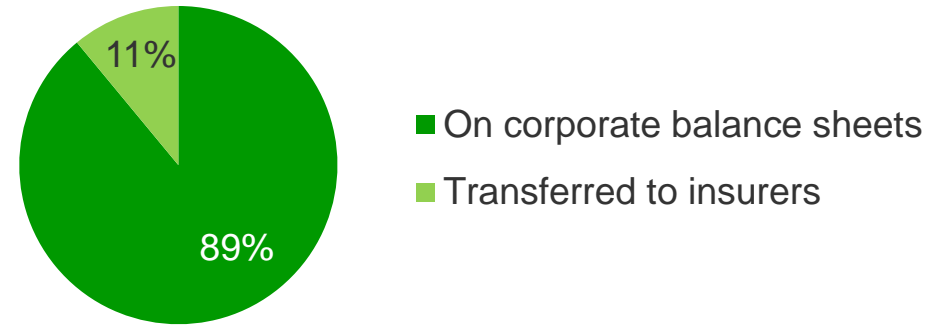
PRT: Large UK and US markets, with significant further potential

Ageing
Demographics

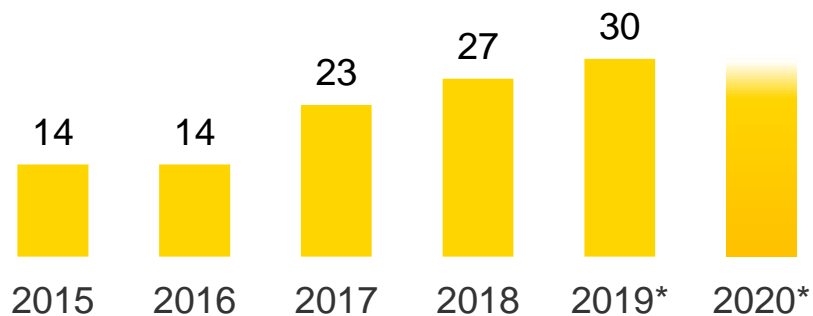
UK PRT market (£bn)



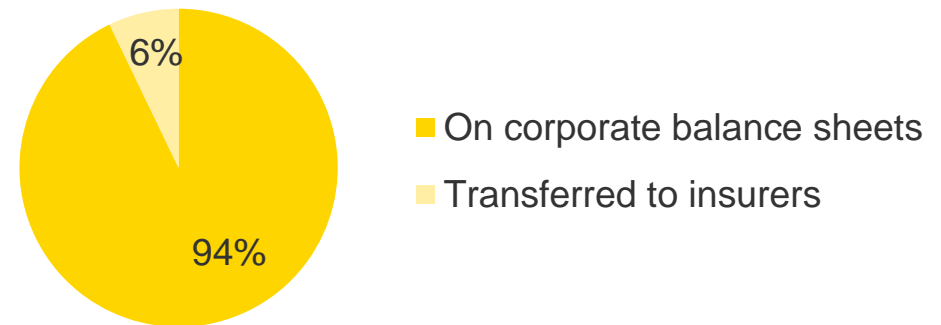
UK DB Liabilities (c£2.1tn)



US PRT market (\$bn)



US DB Liabilities (c\$3.5tn)



LGIM: Strong growth in AUM at scale by product, region and channel
















Globalisation of asset markets	By Product	AUM 2019 £bn	15-19 CAGR %	By Region	AUM 2019 £bn	15-19 CAGR %	By Channel	AUM 2019 £bn	15-19 CAGR %
	Index ¹	404	11	UK	823	7	UK DB	679	7
	Active Strategies	177	13	US	186	23	UK DC	94	20
	LDI Solutions	527	12	Europe ¹	61	36	Retail	39	18
	Multi-Asset	58	29	Gulf	49	24	International ¹	373	32
	Real Assets	31	15	Asia	77	148	Internal ²	104	5
Total	1,196	13	Total	1,196	13	Adjustments ³	(93)	n/a	
						Total	1,196	13	

1. ETF AUM of £3.1bn is included within Index, Europe and International

2. Internal includes Mature Savings of £26bn, whose disposal we expect to complete in H1 20. LGIM will continue to manage these assets post disposal

3. Reporting adjustments of £93bn represents assets managed in the US and Asia on behalf of UK clients

LGC: Our alternative asset capabilities are growing






	Type	Rationale	Sector	Examples	Profit Maturity	Access to Ext'l Funding Partners	Creation of LGR Financed Assets
Investing in the Real Economy	Alternative Asset Manager	<ul style="list-style-type: none"> Building businesses and investment platform to attract third party capital and LGR funding 	Future Cities <ul style="list-style-type: none"> Urban Regeneration Clean Energy Digital SciTech 	<ul style="list-style-type: none"> Oxford, MediaCity Pod Point KAO Data Campus Bruntwood 			
			Housing <ul style="list-style-type: none"> Affordable Homes Later Living Build to Rent 	<ul style="list-style-type: none"> Cornwall Millbrook, Exeter Walthamstow 			
			SME Finance <ul style="list-style-type: none"> Debt and venture investing in SMEs 	<ul style="list-style-type: none"> Pemberton VC into DC 			
Welfare Reforms	Operational Business	<ul style="list-style-type: none"> Growing profits Delivering expertise and products for other L&G businesses 	Housing (mature)	<ul style="list-style-type: none"> CALA 			
			Housing (start-up)	<ul style="list-style-type: none"> Later Living Modular Homes 			
Addressing Climate Change							

LGC's ambition is to reach £5bn Direct Investment AUM over the next 3-5 years, with a blended target return of 8-10%

A commitment to energy transition. Strong ESG credentials

Addressing Climate Change

Identifying value creation and destruction from climate change

	Power	Heat	Transport
Produce Wind, Solar	  L&G has invested £1.3bn in renewable energy investments, mostly solar and wind	LGIM Real Assets – Waste to energy	VC investments hydrogen
Connect Smart Networks, Power Storage	Digital technology battery storage	Smart heat & power networks	Charging infrastructure
Consume Cities, Homes, Electric Vehicles		 CALA uses air-source heat pumps and photovoltaics	 CALA uses electric vehicle charging points

Strong ESG credentials

L&G is recognised as an ESG leader both in terms of:

- How our businesses operate**
 - AA (leader) by MSCI ESG Ratings
 - Leader (top 10%) by State Street R-Factor
 - Low Risk (3rd percentile of global insurers) by Sustainalytics
 - Bloomberg Gender Equality (79% GEI score)
- How we influence as one of the world's largest asset managers**
 - £150bn AUM in ESG strategies
 - Green Star Status for GRESB (Real Estate and Infrastructure Investments)
 - Active and Index ESG strongly outperforms peers (State Street)

NTR: acquires, constructs and manages sustainable infrastructure assets investing in clean energy
 Oxford PV: Leaders in perovskite solar technology
 Pod point: UK leaders in electric vehicle charging

Delivering Inclusive Capitalism

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

Set out ambition to maintain
10% EPS CAGR to 2020
*Achieved this in
4 years instead of 5*

Will set out future ambition
at a Capital Markets Event
on 12th November 2020

Achieve global leadership in pensions de-risking

Provide customer solutions to maximise retirement income

Build a world class international asset management business

Use 'patient capital' to become the UK leader in direct investments including housing and regeneration

Become a leading data driven and digitally enabled insurer

Developing and commercialising de-carbonisation technologies

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

2019 Full year results

Delivering shareholder value through Inclusive Capitalism

Achieved our 5 year EPS ambition in 4 years

