

10/03/2020

Legal & General invests in Australian lifetime mortgage business

Legal & General has today announced it has acquired a 20 per cent stake in the Australian lifetime mortgage business **Household Capital** through its Retail Retirement division (LGRR).

Household Capital is a specialist retirement funding provider which offers long-term access to home equity, and is committed to helping retired Australians *'Live Well At Home'*, creating a balance between lifetime savings and at-retirement pension income. Unlocking housing equity can help top-up pension plans, increase retirement income, fund social care and support the transition to retirement.

Legal & General's strategic investment - the largest in the Melbourne based company's Series B funding round and its first by a non-domestic, multi-national investor - will be used to underpin Household Capital's corporate growth and build on the early success that the business has had since launching in 2017.

Legal & General - a leading provider of insurance, annuities and lifetime mortgages in the UK and a global asset manager with close to £1.2 trillion in assets under management - is dedicated to helping institutions and individuals in all phases of pension and retirement planning. Household Capital will benefit from this deep understanding of retirement markets, asset management and market leading experience of equity release and product innovation.

Household Capital's focus on home equity funding, in the context of pensions, superannuation and other relevant aspects of the universal retirement opportunity, is closely aligned with Legal & General's philosophy of innovation and commitment to helping customers better understand their pension saving and retirement income options.

Legal & General's expertise, combined with Household Capital's strong digital offering, local market knowledge and innovative wholesale debt structure, will help the company continue to meet its growth objectives, providing retired Australian homeowners with solutions that are better able to meet their increasingly complex retirement funding needs.

"This is a great opportunity to invest in a dynamic business, in a market with lots of potential. It reflects our commitment to improving the opportunities available to everyone at retirement, regardless of where they may be, so that they can live longer, healthier and happier lives. The Australian equity release market is extremely promising, with Household Capital at the forefront of developing innovative funding options for retirees.

"We're looking forward to working together to help grow the scale of the business so that consumers have better options at this critical life stage".

Chris Knight, Chief Executive Officer, Legal & General Retail Retirement

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“Legal & General’s strategic investment shows when it comes to tackling the challenge of our burgeoning retirement-age population, global investors see Australia as a significant market opportunity. We’re excited to have an investor on board who recognises that Household Capital is an innovator in home equity retirement funding with a clear values-based focus on customer outcomes”.

Joshua Funder, Chief Executive Officer, Household Capital

“It is a myth that Australians downsize. They want to continue to live in their homes and in their community. Drawing down part of the capital in their household can help many retirees achieve their objectives and maintain a good lifestyle. Our investors know that growth in home equity retirement funding is not only necessary – it’s inevitable.”

Nick Sherry, Chair, Household Capital and former Australian federal Minister for Superannuation

-Ends-

Notes to Editors

The information contained in this press release is intended solely for journalists and should not be relied upon by private investors or any other persons to make financial decisions

About Legal & General

Established in 1836, Legal & General is one of the UK’s leading financial services groups and a major global investor, with international businesses in the US, Europe, Middle East and Asia. With almost £1.2 trillion in total assets under management as at 31 December 2019, we are the UK’s largest investment manager for corporate pension schemes and a UK market leader in pensions de-risking, life insurance, workplace pensions and retirement income. We have also invested over £25 billion in direct investments such as homes, urban regeneration, clean energy and small business finance.

Legal & General Assurance Society Limited. Registered in England and Wales No. 00166055.

Registered office: One Coleman Street, London EC2R 5AA.

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority.

About Legal & General Retail Retirement

Legal & General Retail Retirement (LGRR)’s mission is to help its customers lead longer, healthier, happier lives.

We believe everyone should be able to have a ‘more colourful retirement’. The Division comprises the Group’s individual annuity, lifetime mortgage and care solutions businesses - it has more than half a million customers and circa £21 billion of assets under administration. In 2019, LGRR wrote £970 million of annuity premiums and issued £965 million of lifetime mortgages.

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About Legal and General Investment management

Legal & General Investment Management is one of Europe's largest asset managers and a major global investor, with total assets under management of almost £1.2 trillion¹. We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

Throughout the past 40 years we have built our business through understanding what matters most to our clients and transforming this insight into valuable, accessible investment products and solutions. We provide investment expertise across the full spectrum of asset classes including fixed income, equities, commercial property and cash. Our capabilities range from index-tracking and active strategies to liquidity management and liability-based risk management solutions.

¹LGIM internal data as at 31 December 2019. These figures include assets managed by LGIMA, an SEC Registered Investment Advisor. Data includes derivative positions

About Household Capital

Household Capital is an Australian-owned independent retirement funding provider founded in 2016 with the aim of helping retired Australians 'Live Well at Home'. It offers retirees a responsible and sustainable financial solution that allows them to combine their superannuation savings, equity in their home and their Age Pension to achieve their retirement goals while continuing to live at home.

www.householdcapital.com.au

Further Information

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