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 divisions** (£m)

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>125% growth</td>
<td>1,109</td>
<td>2,496</td>
</tr>
</tbody>
</table>

**Earnings per share (p)**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>131% growth</td>
<td>6.40</td>
<td>17.57</td>
</tr>
</tbody>
</table>

**Dividend per share (p)**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>175% growth</td>
<td>6.40</td>
<td>17.57</td>
</tr>
</tbody>
</table>

**Book Value per share (p)**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>81% growth</td>
<td>86</td>
<td>156</td>
</tr>
</tbody>
</table>

**ROE (%)**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>14.9</td>
<td>20.4</td>
</tr>
</tbody>
</table>
Our focused strategy continues to deliver profitable growth, with some businesses growing faster than others

<table>
<thead>
<tr>
<th>Division</th>
<th>Business</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>CAGR %</th>
</tr>
</thead>
<tbody>
<tr>
<td>LGRI</td>
<td>Pension Risk Transfer (PRT)¹</td>
<td>516</td>
<td>651</td>
<td>716</td>
<td>832</td>
<td>1,116</td>
<td>21</td>
</tr>
<tr>
<td>LGIM</td>
<td>Investment Management²</td>
<td>355</td>
<td>366</td>
<td>400</td>
<td>407</td>
<td>394</td>
<td>3</td>
</tr>
<tr>
<td>LGC</td>
<td>Capital Investment</td>
<td>233</td>
<td>257</td>
<td>272</td>
<td>322</td>
<td>363</td>
<td>12</td>
</tr>
<tr>
<td>LGI</td>
<td>Insurance³</td>
<td>288</td>
<td>303</td>
<td>303</td>
<td>308</td>
<td>314</td>
<td>2</td>
</tr>
<tr>
<td>LGRR</td>
<td>Retirement Solutions¹</td>
<td>123</td>
<td>158</td>
<td>199</td>
<td>283</td>
<td>298</td>
<td>25</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>Continuing operating profit from divisions</strong>¹</td>
<td><strong>1,515</strong></td>
<td><strong>1,735</strong></td>
<td><strong>1,890</strong></td>
<td><strong>2,152</strong></td>
<td><strong>2,485</strong></td>
<td><strong>13</strong></td>
</tr>
<tr>
<td><strong>EPS excluding mortality release (p)</strong></td>
<td>18.16</td>
<td>21.22</td>
<td>23.10</td>
<td>24.74</td>
<td>28.66</td>
<td>12</td>
<td></td>
</tr>
</tbody>
</table>

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)

<table>
<thead>
<tr>
<th>Accumulation</th>
<th>Decumulation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DB Pensions</strong></td>
<td><strong>PRT</strong></td>
</tr>
<tr>
<td>£1,918bn</td>
<td>£175bn</td>
</tr>
<tr>
<td><strong>LDI</strong></td>
<td><strong>Individual Annuities</strong></td>
</tr>
<tr>
<td>£1,024bn$ (42%)</td>
<td>£284bn</td>
</tr>
<tr>
<td><strong>Workplace</strong></td>
<td><strong>Drawdown</strong></td>
</tr>
<tr>
<td>£389bn</td>
<td>£160bn</td>
</tr>
<tr>
<td><strong>Private Pensions</strong></td>
<td><strong>Pension consolidation/advice</strong></td>
</tr>
<tr>
<td>£294bn</td>
<td></td>
</tr>
<tr>
<td><strong>Save</strong></td>
<td><strong>Lifetime Mortgages</strong></td>
</tr>
<tr>
<td>£616bn</td>
<td>£674bn</td>
</tr>
<tr>
<td><strong>Stocks &amp; Shares, Cash, ISAs</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Advice</strong></td>
<td><strong>Later Living</strong></td>
</tr>
<tr>
<td><strong>Fiduciary advice</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>43% of people in the UK expect property to be their biggest source of retirement income$^2$</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Fund/investment</th>
<th>Seed Cap, £m</th>
<th>AUM, £bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Future World (LGIM)</td>
<td>442</td>
<td>1.0</td>
</tr>
<tr>
<td>SIAF² (LGIM)</td>
<td>250</td>
<td>-</td>
</tr>
<tr>
<td>NTR (LGC)</td>
<td>150+</td>
<td>0.5</td>
</tr>
</tbody>
</table>

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)

Payback c.5 years

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

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

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 investments\(^1\) 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

1. As at 31 December 2019
2. As at 30 June 2020
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

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ageing Demographics</td>
<td>• UK PRT</td>
<td>25</td>
<td>£415bn</td>
<td>• UK PRT</td>
<td>22</td>
<td>£955bn+</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• US PRT</td>
<td>4</td>
<td>£140bn+</td>
<td></td>
<td>• UK ISA AUM</td>
<td>1</td>
<td>£900bn+</td>
</tr>
<tr>
<td></td>
<td>• UK Individual Annuities</td>
<td>21</td>
<td>£284bn+</td>
<td>• VC into DC (new)</td>
<td>-</td>
<td>55k units*</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• UK LTM</td>
<td>21</td>
<td>£40bn+</td>
<td>• Affordable Homes (new)</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• UK Later Living (new)</td>
<td>3</td>
<td>10k units*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Globalisation of asset markets</td>
<td>• Global AUM</td>
<td>1.7</td>
<td>$141tn</td>
<td>• UK Retail Protection</td>
<td>22</td>
<td>£7bn+</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Global Revenues</td>
<td>1</td>
<td>$341bn*</td>
<td>• US Retail Protection</td>
<td>4</td>
<td>$30bn+*</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Global Solutions AUM</td>
<td>6</td>
<td>$17tn</td>
<td>• Salary Finance (employee reach)</td>
<td>3</td>
<td>100m+</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• SciTech</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investing in the Real Economy</td>
<td>• UK Build to sell</td>
<td>1</td>
<td>300k*</td>
<td>• ESG fund range</td>
<td>22</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Pemberton</td>
<td>-</td>
<td></td>
<td>• Scitech (Oxford, Birmingham)</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• UK Infrastructure</td>
<td>n/a</td>
<td></td>
<td>• Clean investment opport'ties (new)</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• UK Build to rent (new)</td>
<td>3</td>
<td>104k²</td>
<td>• De-carbonisation (new)</td>
<td></td>
<td>$20tn⁴</td>
<td></td>
</tr>
</tbody>
</table>

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
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

<table>
<thead>
<tr>
<th>Cumulative (£bn)</th>
<th>2016-2019</th>
<th>2020-2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash generation¹</td>
<td>5.9</td>
<td>8.0-9.0</td>
</tr>
<tr>
<td>Capital generation²</td>
<td>5.5</td>
<td>8.0-9.0</td>
</tr>
<tr>
<td>Dividends³</td>
<td>3.8</td>
<td>5.6-5.9</td>
</tr>
</tbody>
</table>

- 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

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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.

<table>
<thead>
<tr>
<th>Business</th>
<th>Current Plan</th>
<th>Addition to plan in 2020</th>
</tr>
</thead>
</table>
| LGRI     | • £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 | • $10bn International PRT over the next 5 years  
                                                                 • Optimise execution of £5bn+ transactions  
                                                                 • Originate more assets from housing and energy |
| LGIM     | • Accelerate growth in the USA and Europe and build presence in Japan and China  
           • Build new management team | • Improve operating economics and performance  
                                                                 • Expand products with higher margins (diversify)  
                                                                 • Build profitable growing businesses in international markets, e.g. Asia, USA, Europe |
| LGC      | • 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 | • 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) |
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

<table>
<thead>
<tr>
<th>Business</th>
<th>Current Plan</th>
<th>Addition to plan in 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>LGI</td>
<td>• Transform UK protection business via technology</td>
<td>• Accelerate growth of USA by greater use of technology</td>
</tr>
<tr>
<td></td>
<td>• Diversify distribution in UK and US</td>
<td>• Use technology to expand UK business in adjacencies, e.g. mortgage market</td>
</tr>
<tr>
<td></td>
<td>• Accelerate growth of digital platforms. e.g. Salary Finance</td>
<td>• Pursue bolt-on acquisitions in adjacent markets</td>
</tr>
<tr>
<td>LGRR</td>
<td>• Add further channels to annuity business, e.g. Prudential, whilst improving customer service and growing market share</td>
<td>• Drive synergies with our 4m Workplace Pension customers</td>
</tr>
<tr>
<td></td>
<td>• Add new products and operational efficiency to LTMs</td>
<td>• Penetration into the “wealthy retirees” segment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Using housing equity to solve the care and climate change crises</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Internationalise the business</td>
</tr>
<tr>
<td>Climate</td>
<td>• Invest in assets and associated expertise</td>
<td>• Develop 3-4 businesses that contribute over £100m of profit (not included in the plan)</td>
</tr>
<tr>
<td></td>
<td>• Between 2013 and 2020, reduce:</td>
<td>• Reduce the number of carbon-intensive companies that we own in our shareholder funds</td>
</tr>
<tr>
<td></td>
<td>• carbon emission per policy by 20%</td>
<td>• Develop low-carbon, energy-efficient homes in our housing business (net zero by 2030)</td>
</tr>
<tr>
<td></td>
<td>• office water usage per policy by 20%</td>
<td></td>
</tr>
</tbody>
</table>
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 assets\(^1\)
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

1. As at 30 June 2020, excluding derivatives, cash, cash equivalents and loans
Investors have raised four issues

<table>
<thead>
<tr>
<th>Issues</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Dividend will be cut</td>
<td>New dividend policy - low to mid single digit growth from 2021</td>
</tr>
</tbody>
</table>
| 2 Defaults will surge causing a profit shortfall                     | • 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                          | • 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 | • 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 Portfolio

- Lock-down sectors
  - Travel & Leisure
  - Automobiles & Parts
  - Industrial Goods &…
  - Oil & Gas
  - Media
  - Retail
  - Chemicals
  - Construction &…
  - Food & Beverage
  - Technology
  - Basic Resources
  - Utilities
  - Health Care
  - Personal &…
  - Telecommunications

- Traditional cycicals

- Defensives

<table>
<thead>
<tr>
<th>Sector</th>
<th>H1 2020</th>
<th>FY 2020 (Expected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel &amp; Leisure</td>
<td>2.9x</td>
<td>5.5x</td>
</tr>
<tr>
<td>Automobiles &amp; Parts</td>
<td>1.0x</td>
<td>2.1x</td>
</tr>
<tr>
<td>Industrial Goods &amp;…</td>
<td>0.4x</td>
<td>1.2x</td>
</tr>
<tr>
<td>Oil &amp; Gas</td>
<td>0.4x</td>
<td>1.2x</td>
</tr>
<tr>
<td>Media</td>
<td>0.1x</td>
<td>0.6x</td>
</tr>
<tr>
<td>Retail</td>
<td>0.2x</td>
<td>0.5x</td>
</tr>
<tr>
<td>Chemicals</td>
<td>0.4x</td>
<td>0.5x</td>
</tr>
<tr>
<td>Construction &amp;…</td>
<td>0.2x</td>
<td>0.5x</td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
<td>0.0x</td>
<td>0.4x</td>
</tr>
<tr>
<td>Technology</td>
<td>0.1x</td>
<td>0.3x</td>
</tr>
<tr>
<td>Basic Resources</td>
<td>0.2x</td>
<td>0.2x</td>
</tr>
<tr>
<td>Utilities</td>
<td>0.2x</td>
<td>0.2x</td>
</tr>
<tr>
<td>Health Care</td>
<td>0.2x</td>
<td>0.1x</td>
</tr>
<tr>
<td>Personal &amp;…</td>
<td>0.0x</td>
<td>0.1x</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>0.0x</td>
<td>0.0x</td>
</tr>
</tbody>
</table>

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 is:
- 98% Investment Grade
- Only 3% BBB-
- More resilient: Net downgrades to sub-IG of 0.8% vs 1.7% of market in 2020

1. Except where otherwise noted, figures are as at 30 June 2020
2. Legal & General Traded Bond Portfolio as 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

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

Operating profit\(^1\) (£m)

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit</td>
<td>516</td>
<td>651</td>
<td>716</td>
<td>832</td>
<td>1,116</td>
</tr>
</tbody>
</table>

21% CAGR

PRT new business premiums (£m)

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premiums</td>
<td>2,417</td>
<td>6,630</td>
<td>3,948</td>
<td>9,140</td>
<td>11,392</td>
</tr>
</tbody>
</table>

\(^1\) Excludes longevity trend mortality reserve release.
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 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 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 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 clients

- 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

1989
LGIM begins providing investment management services to the fund

2007
LGIM appointed as the fund’s LDI manager

2016
Vickers Group Pension Scheme £1.1bn buyout

2019
Rolls-Royce Pension Fund £4.6bn buyout

Future
Capital backing the buyouts invested in infrastructure, housing and urban regeneration
Opportunity: Globally there are more than £6.5tn of uninsured DB liabilities

<table>
<thead>
<tr>
<th>Country</th>
<th>Defined Benefit Liabilities, £tn</th>
<th>Percentage insured, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>2.2</td>
<td>8</td>
</tr>
<tr>
<td>US</td>
<td>2.8</td>
<td>5</td>
</tr>
<tr>
<td>Canada</td>
<td>0.9</td>
<td>2</td>
</tr>
<tr>
<td>Netherlands</td>
<td>0.9</td>
<td>5</td>
</tr>
<tr>
<td>Ireland</td>
<td>0.1</td>
<td>2</td>
</tr>
</tbody>
</table>
Strategy: Continue to be a key player in UK market

Why L&G will win

• A growing market: Potential size of UK buyout market over the next 5 years is £240bn\(^2\)
• *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
2. Pensions Policy Institute, October 2019
Strategy: Grow overseas market share, starting in the US

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

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

Source: LIMRA Secure Retirement Institute Group Annuity Risk Transfer Survey.
Future predictions: Legal & General Retirement America's estimation
Our businesses have continued to perform robustly in 2020; US premium volumes highest ever as we grow market share

<table>
<thead>
<tr>
<th></th>
<th>LGRI UK (£bn)</th>
<th>LGRI US ($bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>YTD Premiums</td>
<td>4.7</td>
<td>1.2</td>
</tr>
<tr>
<td>Exclusive transactions</td>
<td>1.7</td>
<td>n/a</td>
</tr>
<tr>
<td>Actively quoting pipeline</td>
<td>21</td>
<td>10</td>
</tr>
</tbody>
</table>

- Already more transactions written than in 2019 (36 in 2020 YTD vs 28 in 2019)
- 75% of transactions are with LGIM clients
- 5 deals c$100m or more
- 1st joint UK/US deal (IHS Markit)
Strategy: Leverage Group capabilities to deliver product innovation

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

- Longevity insurance
- Buy-in
- Buyout

Insured self-sufficiency
More affordable than bulk annuities but scheme retains some risk

Investment solution LGIM
LGIM delivers a low-risk and holistic cashflow-matched investment strategy

Insurance solution LGRI
LGRI provides a substantial capital buffer to protect against adverse experience

Assured Payment Policy
Premium paid at policy inception

Policyholder
Legal & General

Cashflow 1
Cashflow 2
Cashflow 3...

Pre-agreed series of cashflows – fixed or inflation-linked – which do not vary with longevity or other demographic experience
Strategy: Invest today’s pension capital to build a better future

Asset manufacturing capabilities are a competitive advantage

£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 investments

Oxford University partnership, £4bn commitment
Commitment to deliver over 3,000 affordable homes p.a. by 2023

1. As at 31 December 2019
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**

- LGRI has been rated Exceptional for the last 3 years

- Financial services industry average: 46
- LGRI: 73

---

*Non-Confidential*
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)**

3% CAGR

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost : Income ratio</td>
<td>48%</td>
<td>49%</td>
<td>50%</td>
<td>52%</td>
<td>54%</td>
</tr>
<tr>
<td>Net flows (£bn)</td>
<td>355</td>
<td>366</td>
<td>400</td>
<td>407</td>
<td>423</td>
</tr>
<tr>
<td>7% CAGR</td>
<td>394</td>
<td></td>
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</tr>
</tbody>
</table>

**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)

AUM by capability: Market and LGIM

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Assets</td>
<td>15</td>
<td>14</td>
<td>13</td>
<td>12</td>
<td>11</td>
<td>10</td>
<td>9</td>
<td>8</td>
<td>7</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Multi-Asset</td>
<td>29</td>
<td>28</td>
<td>27</td>
<td>26</td>
<td>25</td>
<td>24</td>
<td>23</td>
<td>22</td>
<td>21</td>
<td>20</td>
<td>19</td>
<td>18</td>
<td>17</td>
<td>16</td>
<td>15</td>
<td>14</td>
<td>13</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>Active Strategies</td>
<td>13</td>
<td>12</td>
<td>11</td>
<td>10</td>
<td>9</td>
<td>8</td>
<td>7</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Index</td>
<td>11</td>
<td>10</td>
<td>9</td>
<td>8</td>
<td>7</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>127</td>
<td>122</td>
<td>117</td>
<td>111</td>
<td>105</td>
<td>99</td>
<td>91</td>
<td>84</td>
<td>76</td>
<td>69</td>
<td>61</td>
<td>53</td>
<td>45</td>
<td>37</td>
<td>30</td>
<td>22</td>
<td>15</td>
<td>9</td>
<td>0</td>
</tr>
</tbody>
</table>

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

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

2. Including Passive & Smart Beta.
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

**Responsible investing** leader. Pedigree in stewardship and ESG integration

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

**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

---

¹ Industry data from Boston Consulting Group, “Global Asset Management 2020”; LGIM estimated asset %’s as at 30th June 2020
² In 2019, including almost 12,000 company meetings; source: Active Ownership Long Report
LGIM is both a strong enabler and beneficiary of LGRI growth

LGIM

- Index
- Active fixed
- LDI & multi-asset funds
- Real assets

Higher revenue products

LGRI

- Longevity Insurance
- Buy-in / Buyout

L&G Retirement Internal revenue (£m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Index</th>
<th>Active fixed</th>
<th>LDI &amp; multi-asset funds</th>
<th>Real assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>64</td>
<td>79</td>
<td>91</td>
<td>106</td>
</tr>
<tr>
<td>2016</td>
<td>11%</td>
<td>11%</td>
<td>13%</td>
<td>14%</td>
</tr>
<tr>
<td>2017</td>
<td>11%</td>
<td>11%</td>
<td>13%</td>
<td>14%</td>
</tr>
<tr>
<td>2018</td>
<td>106</td>
<td>11%</td>
<td>13%</td>
<td>14%</td>
</tr>
<tr>
<td>2019</td>
<td>131</td>
<td>11%</td>
<td>13%</td>
<td>14%</td>
</tr>
</tbody>
</table>

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

£1bn surplus generation for each £10bn of PRT

c30% Real assets
c70% Fixed income

c30% Real assets
c70% Fixed income
We are driven by a clear sense of purpose

Our purpose is to create a better future through responsible investing

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
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

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

- LGIM global brand relaunch
- Worldwide responsible investing campaign

- 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

**UK DC retirement income**

Total UK DC assets expected to more than double by 2028 to £955bn\(^1\)

- UK market leader in DC accumulation
- Opportunity: increase UK decumulation share by combining best of LGIM and LGRR

---

**Real Assets**

Global AUM expected to grow 20% in next 5 years\(^3\)

- UK market leader in Real Estate Equity
- Opportunity: externalise private credit capability; expand ESG and long lease equity offerings; optimise linkages with LGC

---

**UK DB endgame / buyout**

£2.2tn of UK DB pension assets, with £0.9tn reaching endgame within next decade\(^2\)

- UK market leader in UK DB Solutions
- Opportunity: increase share of end-game / PRT; OCIO and Fiduciary; own the DB client journey

---

**Investment capabilities / ESG**

Global responsible strategies grew 34% in 2 years to $30.7tn in 2018\(^4\)

- Leading stewardship and ESG capabilities
- Opportunity: Build on ESG pedigree and cement leadership in responsible investing

---

**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 service\(^2\)
• 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 profit\(^1\) (£m)

12% CAGR

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>233</td>
<td>257</td>
<td>272</td>
<td>322</td>
<td>363</td>
</tr>
</tbody>
</table>

Alternative Assets AUM (£m)

35% CAGR

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>867</td>
<td>1,137</td>
<td>1,450</td>
<td>2,359</td>
<td>2,877</td>
</tr>
</tbody>
</table>

Sectors

£7.0bn of shareholder assets\(^1\), 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

1. Group Treasury assets of £2bn as at H1 2020 have been excluded.
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**

---

¹. https://about.bnef.com/new-energy-outlook/

². In May 2020, Inspired Villages achieved a Net Promoter Score of 33, a 13-point (65%+) improvement from the last survey in October 2019.
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 £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

<table>
<thead>
<tr>
<th></th>
<th>H1 2020</th>
<th>2025 ambition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Third party capital¹</td>
<td>£11bn</td>
<td>£23bn+</td>
</tr>
<tr>
<td>Direct investment</td>
<td>£3bn</td>
<td>£5bn</td>
</tr>
<tr>
<td>portfolio³</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Traded portfolio and</td>
<td>£4bn</td>
<td>£14bn+</td>
</tr>
<tr>
<td>cash⁴</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Additional £10bn+ of 3rd party capital AUM, invested directly and via owned or part owned boutiques, and asset creation for LGR.

Reallocation of LGC balance sheet to alternative assets, delivering a direct blended portfolio return of 8-10%.

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 £10bn+ growth in third party capital, we assume growth in Pemberton fee-earning AUM of £5bn+.
3. Direct investment portfolio presented at NAV.
4. Traded portfolio and cash includes traded assets managed by LGC and LGRe. Treasury assets of £2bn as at H1 2020 are excluded.
## Strategy: Growth across all alternative asset capabilities

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

- **NTR**: Renewable energy investment manager that acquires, constructs and manages assets directly and for 3rd parties
  - L&G stake: 25%

- **Pemberton**: Asset manager and originator providing direct lending to small and medium sized businesses in the UK and Europe
  - L&G stake: 40%

- **ADV**: A patient venture investment manager which connects large institutional investors to early stage start-ups.
  - L&G Stake: close to 100%
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

$130 trillion investment to 2050 in order to achieve zero emissions\(^1\)

- **Power**
  - £1.4bn in Group clean energy investments
  - OXFORd PV
  - tokamak energy

- **Heat**
  - Kensa Heat Pumps
  - L&G development of 154 energy-efficient modular homes in Selby, North Yorkshire.
  - CALA uses air-source heat pumps and photovoltaics

- **Transport**
  - VC investments hydrogen
  - Charging infrastructure
  - Inspired Villages uses electric vehicles and charging points

1. [https://about.bnef.com/new-energy-outlook/](https://about.bnef.com/new-energy-outlook/)
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.

<table>
<thead>
<tr>
<th>Market growth since investment</th>
<th>17,000</th>
<th>79,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK battery electric vehicle sales (Feb 2018-2019)</td>
<td>UK battery electric vehicle sales (Sept 2019-2020)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Pod Point growth since investment</th>
<th>60,000</th>
<th>96,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>shipped charge points in UK and Norway (to Feb 2019)</td>
<td>shipped charge points in UK and Norway (to Oct 2020)</td>
<td></td>
</tr>
</tbody>
</table>
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

1. Asset Creation
2. Asset Funding
3. Asset Management

Creating attractive, long-term real assets for the Group
&
Enabling and accelerating Oxford’s expansion

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

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

It. The JV (LGC and Oxford) will take development exposure to build assets which are then leased to Oxford University, creating attractive, long-term, property-backed credit assets for LGR and LGIM. At the end of the lease term, the property will revert to back to Oxford University.
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

- **c700**  
  YE2013* units
- **£240m**  
  YE 2013¹ revenue
- **3.5 X**
- **c2,500**  
  FY2019 units
- **£1bn**  
  FY2019 revenue
- **4 X**

1. 12 months to 30 June 2013
L&G Capital: Alternative Assets

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

<table>
<thead>
<tr>
<th>Opportunity</th>
<th>Strategy</th>
<th>Ambition</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Clean Energy: $130 trillion investment is needed by 2050 to reach zero emissions</td>
<td>• 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</td>
<td>Over the next 5 years:</td>
</tr>
<tr>
<td>• UK Infrastructure: £500bn deficit</td>
<td>• Building an alternative asset creation platform and leveraging third party capital, to invest client funds directly and via acquired boutiques</td>
<td>• Grow our diversified alternative assets AUM to up to c£5bn (H1 2020: £3bn), delivering a target blended portfolio return of 8% to 10%</td>
</tr>
<tr>
<td>• UK Housing: at least 300k homes needed, but only c170k homes currently being built p.a.</td>
<td></td>
<td>• Add £10bn+ of 3rd party capital AUM, invested directly and via acquired bolt-ons, and asset creation for LGR</td>
</tr>
<tr>
<td>• UK SMEs: Finance gap to fund the 21,000 growth economy companies</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Insurance

Bernie Hickman
LGI Chief Executive Officer
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

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

<table>
<thead>
<tr>
<th>Core strategies</th>
<th>Plans and ambition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transform insurance businesses via technology and data analytics</strong></td>
<td>• Further improve digital efficiencies in UK retail protection</td>
</tr>
<tr>
<td></td>
<td>• Digitise Group Protection capabilities</td>
</tr>
<tr>
<td></td>
<td>• Apply UK insights to even bigger US market opportunity</td>
</tr>
<tr>
<td></td>
<td>• <strong>Ambition: Sustain market leadership through technology</strong></td>
</tr>
<tr>
<td><strong>Digitise and diversify distribution</strong></td>
<td>• Target unmet consumer needs – Income Protection, Generation Rent</td>
</tr>
<tr>
<td></td>
<td>• Reinvent Group Protection with Salary Finance</td>
</tr>
<tr>
<td></td>
<td>• Expand US distribution and broaden products</td>
</tr>
<tr>
<td></td>
<td>• <strong>Ambition: Grow US annual new business premiums to £200m</strong></td>
</tr>
<tr>
<td><strong>Transform adjacent markets</strong></td>
<td>• Expand Salary Finance offer into US; grow further in UK</td>
</tr>
<tr>
<td></td>
<td>• Digitise the analogue mortgage lender market</td>
</tr>
<tr>
<td></td>
<td>• Targeting net zero emissions across UK housing stock</td>
</tr>
<tr>
<td></td>
<td>• <strong>Ambition: Deliver double digit growth for fintech businesses</strong></td>
</tr>
</tbody>
</table>
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

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

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

Leveraging market leadership

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

UK market position 2019³

Growing Group Protection

GP Premiums⁴

L&G market share new business APE

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

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
2) Improved customer service

**Horizon**

Investment applies our winning UK playbook to the US

Digitising distribution, automating processes

**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.

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.
- $44bn 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

<table>
<thead>
<tr>
<th>Opportunity &amp; growth</th>
<th>A large market...</th>
<th>that has further growth potential</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$27 billion</td>
<td>$500 thousand</td>
</tr>
<tr>
<td>US in force premium revenues 2019¹</td>
<td>Incremental cover required per household²</td>
<td></td>
</tr>
</tbody>
</table>

& the opportunity to grow share...

<table>
<thead>
<tr>
<th>Source</th>
<th>Position Q2 2020³</th>
</tr>
</thead>
<tbody>
<tr>
<td>All term insurance</td>
<td>#7</td>
</tr>
<tr>
<td>Brokerage channel</td>
<td>#2</td>
</tr>
<tr>
<td>New business by volume</td>
<td>#1</td>
</tr>
</tbody>
</table>

2025 US new business revenue ambition

£200 million

10%+ CAGR growth

Sources: 1. ii.org; 2. Swiss Re, Average household needs $0.5m and there are 123m households in the US; cost of $48/$500k/20 years cover from Ethos Life (4/11/20). Annual APE $9600 x 123m HH= $59bn; 3. LIMRA
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.

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

Productivity days lost¹

25-34

Caused by poor financial wellbeing

Accelerating growth¹

<table>
<thead>
<tr>
<th></th>
<th>Revenues £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>6.7</td>
</tr>
<tr>
<td>US</td>
<td>1.4</td>
</tr>
</tbody>
</table>

Includes Neyber acquisition

Sources: 1; Salary Finance; 2020 Q1-3 actuals, Q4 forecast
Transform adjacencies: Salary Finance scaling fast

Significant growth potential in the UK, US and beyond

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

Enhanced proposition

**Employer potential**

<table>
<thead>
<tr>
<th>Employers &gt;250 'ees (‘000)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>8</td>
</tr>
<tr>
<td>US</td>
<td>51</td>
</tr>
</tbody>
</table>

>600 already signed up

**Employee potential**

<table>
<thead>
<tr>
<th>Accessible employees (millions)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private sector</td>
<td>16.3</td>
</tr>
<tr>
<td>Public sector</td>
<td>90.5</td>
</tr>
</tbody>
</table>

>3.3m already accessible

Enhanced proposition

- Life cover: £480,000.00
- Income protection: £26,000.00
- Critical illness cover: £96,000.00

Sources: 1; BLS (US); ONS (UK); employer potential excludes public sector employer; accessible employees based on firms with 250+ employees, and public sector
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

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>123</td>
<td>158</td>
<td>199</td>
<td>283</td>
<td>298</td>
</tr>
</tbody>
</table>

Individual annuity premiums (£m)

31% CAGR

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>327</td>
<td>378</td>
<td>671</td>
<td>795</td>
<td>970</td>
</tr>
</tbody>
</table>

Lifetime mortgage advances (£m)

48% CAGR

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>201</td>
<td>620</td>
<td>1,004</td>
<td>1,197</td>
<td>965</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Year</th>
<th>L&amp;G Market Share</th>
<th>L&amp;G External Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>£378m</td>
<td>9%</td>
</tr>
<tr>
<td>2017</td>
<td>£670m</td>
<td>15%</td>
</tr>
<tr>
<td>2018</td>
<td>£796m</td>
<td>18%</td>
</tr>
<tr>
<td>2019</td>
<td>£970m</td>
<td>19%</td>
</tr>
</tbody>
</table>

**GAR proposition**
- Developed GAR proposition (2013)
- AEGON deal (2016)

**Pricing and Distribution**
- Invested in pricing and underwriting capabilities
- Maximise effectiveness of distribution team

**At-Retirement Proposition**
- My Future Now - Pot consolidation
- Whole of Market Panel
- Drawdown
- Digital customer journey
Our customers are highly engaged in and happy with the products and services we provide, including LTMs

<table>
<thead>
<tr>
<th>2020 performance YTD</th>
<th>Net promoter score</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>+21,000</strong></td>
<td><strong>+84</strong></td>
</tr>
<tr>
<td>Customers have given feedback since 2017</td>
<td>Net promoter score</td>
</tr>
<tr>
<td><strong>90%</strong></td>
<td></td>
</tr>
<tr>
<td>Product Satisfaction</td>
<td></td>
</tr>
<tr>
<td><strong>92%</strong></td>
<td></td>
</tr>
<tr>
<td>Overall satisfaction for origination journey</td>
<td></td>
</tr>
<tr>
<td><strong>98%</strong></td>
<td></td>
</tr>
<tr>
<td>Satisfaction for Servicing</td>
<td></td>
</tr>
<tr>
<td><strong>99%</strong></td>
<td></td>
</tr>
<tr>
<td>Confidence in customer service knowledge</td>
<td></td>
</tr>
<tr>
<td><strong>32%</strong></td>
<td></td>
</tr>
<tr>
<td>Complaints in relation to delays and timescales</td>
<td></td>
</tr>
<tr>
<td><strong>&lt;0.1%</strong></td>
<td></td>
</tr>
<tr>
<td>Average monthly complaints against total book</td>
<td></td>
</tr>
</tbody>
</table>

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**

<table>
<thead>
<tr>
<th>Accumulation assets: £400bn in UK DC accumulation assets, and this is expected to more than double to <strong>£950bn by 2028</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ageing population: 700,000 people will reach age 65 in the UK in 2020, rising to <strong>900,000 in 2030</strong></td>
</tr>
<tr>
<td>Advice gap: Less than <strong>20%</strong> of people approaching retirement take financial advice</td>
</tr>
<tr>
<td>Savings at retirement: <strong>£40bn of non-DB pension savings</strong> coming to retirement each year, of which <strong>only £4.5bn is currently annuitised</strong></td>
</tr>
<tr>
<td>Housing equity: <strong>£1.7tn of housing equity</strong> is owned by the over 55’s – of which only <strong>£4bn is being released per annum</strong></td>
</tr>
<tr>
<td>Housing wealth: A quarter of this equity is represented by homes worth more than <strong>£1m each</strong></td>
</tr>
<tr>
<td>Growing care sector: <strong>£20bn</strong> is spent in the formal care sector each year and a further <strong>£100-140bn</strong> of informal care is delivered. Both are set to grow substantially as the population ages.</td>
</tr>
</tbody>
</table>
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
  - Cash\(^1\): £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.: $330bn\(^1\)

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; 3. 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

Phase One
Ready for launch

Build a Holistic Decumulation Proposition

- Digitally led customer journey
- Flexible and guaranteed income options
- Pensions tracing & consolidation

Phase Two
Underway

Optimise and deploy to D2C and Workplace

- Enhance retirement propositions & internal value
- New partnerships (sole-tie, at-retirement, workplace)
- Explore International opportunities (US, Australia)

Phase Three
Pilot Phase

Digital First Customer centric operating model to support cross sell and upsell

- Digitised Customer Journey to remove customer barriers
- Engage and upskill agents to streamline service
- Ongoing rationalisation and efficiency
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

Interest Only properties

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

Opportunity to improve life with new lending

✓ Supporting family or improving quality of life

Properties over £1m

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

Customers with equity to plan for the future

✓ Wealth and inheritance planning

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

Global (ex. UK) housing wealth over age 65: $3.5tn

1. Based on US and Australia  
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

<table>
<thead>
<tr>
<th>Product Innovation</th>
<th>Customer Benefits</th>
<th>Finance and Risk Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Combines the flexibility of monthly interest payments with the long-term security of a lifetime mortgage</td>
<td>➢ Monthly payments to service some or all of interest charged</td>
<td>• Full property valuation criteria and lending rules as per regular lifetime mortgage</td>
</tr>
<tr>
<td>• Unlike a traditional interest roll-up lifetime mortgage, the product allows customers to pay some or all of their monthly interest each month</td>
<td>➢ Can stop making payments at any time and convert to a roll-up LTM</td>
<td>• 19% of overall new business is now OPLM</td>
</tr>
<tr>
<td>• 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</td>
<td>➢ No income affordability assessment as the loan is secured against the value of the property</td>
<td>• 38% of our direct business advised by LGFA is represented by OPLM sales.</td>
</tr>
<tr>
<td>• Interest rate fixed for life</td>
<td>➢ Total debt payable at the end of term reduced</td>
<td>• Limited or no interest roll-up lowers cost of no-negative-equity guarantee</td>
</tr>
<tr>
<td></td>
<td>➢ Ideal for those with an outstanding interest-only mortgage who can continue their payments</td>
<td>• Product flexibility aligns with changing customer circumstances and reduces conduct risk</td>
</tr>
</tbody>
</table>

81 |
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

<table>
<thead>
<tr>
<th>Business</th>
<th>H1 2020 op profit (£m)</th>
<th>FY 2019 op profit (£m)</th>
<th>Trading update to 31 October 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>LGRI Pension Risk Transfer (PRT)</td>
<td>585</td>
<td>1,116</td>
<td>• UK</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• £4.7bn written across 36 transactions</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• £1.7bn in exclusive negotiations, which we expect to complete in 2020</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• &gt;£20bn UK actively quoting pipeline</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• US: $1.2bn of PRT written year to date, more than any prior full year volume</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• c£200m anticipated LGR mortality reserve release (CMI-18)</td>
</tr>
<tr>
<td>LGIM Investment Management¹</td>
<td>196</td>
<td>394</td>
<td>• £6.4bn external net flows to 30 September 2020</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• £1,234bn estimated total AUM as at 30 September 2020</td>
</tr>
<tr>
<td>LGC Capital Investment</td>
<td>123</td>
<td>363</td>
<td>• As forecast, we expect a 30% reduction in residential sales across the year</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Secured 5 further planning permissions (960 units) in the UK to meet Later Living and Modular Housing needs</td>
</tr>
<tr>
<td>LGI Insurance</td>
<td>88</td>
<td>314</td>
<td>• £1,475m gross written premium, up 5% on prior year</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• To date COVID-19 claims remain modest. Overall exposure limited as majority of UK mortality risk is reinsured</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Prudent £44m COVID-19 future claims reserve set up, in excess of H1 claims</td>
</tr>
<tr>
<td>LGRR Retirement Solutions</td>
<td>136</td>
<td>298</td>
<td>• £747m of annuity premiums written, down 10% on prior year (down just 2% in H2)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• £613m of lifetime mortgage advances, down 26% on prior year</td>
</tr>
</tbody>
</table>

### Disposed operations (Mature Savings)

- Sale completed, c£325m IFRS profit on disposal expected

---

1. LGIM operating profit restated to include LGIM-related costs at Group
Our defensive bond portfolio continues to perform well: limited downgrades to sub-investment grade and no defaults

LGR Bond Portfolio: £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-
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

Direct investments by sector

- 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
- 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

Except where otherwise noted, data within this slide refers to H1 2020
A robust balance sheet, strengthened by significant liquidity

- 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

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

Solvency II surplus analysis of change (£bn)

- Surplus YE 2015: £5.5bn
- Operational surplus generation (OSG): £5.5bn
- New business (NBS): £1.3bn
- External dividends: £3.6bn
- Market movements: £1.0bn
- Debt raise: £1.1bn
- Operating variances: £1.1bn
- Surplus YE 2019: £7.3bn

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

Solvency II coverage ratio is on shareholder basis.
We intend to grow the dividend at low to mid-single digits from 2021

<table>
<thead>
<tr>
<th>Cumulative (£bn)</th>
<th>2016-2019</th>
<th>2020-2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash generation¹</td>
<td>5.9</td>
<td>8.0-9.0</td>
</tr>
<tr>
<td>Capital generation²</td>
<td>5.5</td>
<td>8.0-9.0</td>
</tr>
<tr>
<td>Dividends³</td>
<td>3.8</td>
<td>5.6-5.9</td>
</tr>
</tbody>
</table>

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

Each of our businesses contribute to our 5 year growth ambition

<table>
<thead>
<tr>
<th>Business</th>
<th>5 Year Ambition</th>
</tr>
</thead>
</table>
| **LGRI** | • £40-50bn of UK PRT new business volumes (2015-2019: £27bn)  
• $10bn of international PRT new business volumes (2015-2019: $4bn) |
| **LGIM** | • Grow cumulative profits at least in line with the Group's dividend growth rate, absent market shocks  
• Expand products with higher margins |
| **LGC**  | • Grow alternative assets AUM to up to c£5bn (H1 2020: £3.0bn)  
• Add £10bn of 3rd party capital AUM |
| **LGI**  | • Sustain UK market leadership via applied technology  
• Grow US new business premium to £200m (10%+ CAGR)  
• Achieve double digit growth for fintech businesses |
| **LGRR** | Capitalise on the large and growing UK retirement solutions opportunity:  
• £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)

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

1. From continuing operations, and excluding Other of £(0.1)bn.

LGR OSG is highly predictable

LGI creates capital on day 1 and OSG in subsequent years

LGI, 13%
LGR, 55%
LGC, 16%
LGIM, 16%

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)

**Annuity in-force capital generation**

- **£13bn capital generation over lifetime**
- **£4.0bn capital generation over 5 years**

May be improved by regulatory amendments *(Risk Margin, Matching Adjustment)*

£700m - £900m p.a.

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

- 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

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

- Portfolio AUM at beginning of year
- New business premium added during the year, net of portfolio roll-off
- AUM roll-off during the year

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

1. Illustrative. New business volumes include UK PRT and individual annuities and precise levels required will depend on new business mix and prevailing economic conditions.
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

<table>
<thead>
<tr>
<th>Year</th>
<th>Earnings per share (p)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>12.42</td>
</tr>
<tr>
<td>2012</td>
<td>13.84</td>
</tr>
<tr>
<td>2013</td>
<td>15.20</td>
</tr>
<tr>
<td>2014</td>
<td>16.70</td>
</tr>
<tr>
<td>2015</td>
<td>18.16</td>
</tr>
<tr>
<td>2016</td>
<td>21.22</td>
</tr>
<tr>
<td>2017</td>
<td>23.10</td>
</tr>
<tr>
<td>2018</td>
<td>24.74</td>
</tr>
<tr>
<td>2019</td>
<td>28.66</td>
</tr>
</tbody>
</table>

11% CAGR

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

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

Ambition

Between 2020 and 2024, our ambition\(^1\) 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

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\(^1\) 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