

2025 Half Year Results

Core operating EPS up 9% as strategic momentum builds

António Simões, CEO:

"L&G had an excellent six months with core operating EPS up 9%, at the top end of our targeted range of 6-9%.

We are growing and making the most of the synergies between our three businesses. Institutional Retirement operating profit is up double digits, and we have written over £5bn of new business at low capital strain. We have seen material progress in Asset Management, with positive annualised net new revenues driving a further increase in our average revenue margin, which is now close to our double-digit ambition. In Retail, our customer base has grown to 12.4m, and workplace pension assets have surpassed £100bn.

Progress on our strategy is encouraging. We have sharpened our strategic focus with the agreed sale of our US protection business and partnership with Meiji Yasuda for \$2.3bn. We have progressed the disposal of assets in our Corporate Investments Unit and are redeploying that capital towards growth. Our investment in Proprium Capital Partners complements our stake in Taurus, strengthening our global real estate platform. Our newly announced partnership with Blackstone improves our competitive position in both Annuities and Asset Management.

The outlook for our businesses is positive and we are firmly on track to achieve our financial targets. We are delivering on our promise to return more to shareholders with over £5bn in dividends and share buybacks over three years."

Financial performance¹

- Core operating profit of £859m, up 6%; Core operating EPS of 10.94p, up 9%
- IFRS Profit before tax² of £406m, up 28%
- Solvency II capital generation of £729m up 3%, and Solvency II coverage ratio of 217%³
- CSM increased to £12.1bn (up £0.2bn on H1 2024), increasing our store of future profit to £13.1bn⁴

New business driving profitable growth

- Institutional Retirement: £5.2bn⁵ of Global PRT volumes
- Asset Management: £15m of Annualised Net New Revenue (ANNR) driving an increase in average revenue margin to 9bps. Private Markets AUM now £65bn
- Retail: Workplace net new flows of £4.0bn up 21% from HY24; Workplace AUA of £101bn up 7% from FY24

Strong strategic momentum

- Announced acquisition of Proprium Capital Partners, a European and Asia-Pacific global real estate investor, enhancing our global capabilities in key growth markets
- Secured a long-term strategic partnership that combines the strength of L&G and Blackstone's respective credit platforms, supporting our growth ambitions in both Annuities and Asset Management
- The sale of our US protection business and the development of the broader partnership with Meiji Yasuda is progressing to plan

Delivering enhanced returns

- Interim dividend per share of 6.12p, up 2% in line with our guidance
- 90%⁶ of £500m buyback announced at full year results now complete

1. Group Alternative Performance Measures are defined in the glossary, on pages 92-97. All metrics are shown excluding Non-retained US business, with the exception of IFRS profit before tax and the SII Capital Coverage Ratio.

2. Profit before tax attributable to equity holders.

3. The SII coverage ratio allows for the full £500m share buyback and excludes the temporary impacts from Non-retained US business and FX hedges that will unwind on completion of the transaction with Meiji Yasuda.

4. A combination of established Contractual Service Margin "CSM" and Risk Adjustment "RA" (net of reinsurance) under IFRS 17, all gross of tax.

5. £5.2bn global PRT comprises H1: £3.4bn, plus deals written or in exclusivity since 30 June 2025 of: £1.7bn, excludes 20% of US PRT new business not retained.

6. As at 4th August.



Financial summary¹

£m	H1 2025	H1 2024	Growth (%)
Analysis of core operating profit			
Institutional Retirement	618	557	11
Asset Management	202	214	(6)
Retail	237	231	3
Group debt costs	(112)	(107)	(5)
Group investment projects and expenses	(86)	(86)	-
Core operating profit²	859	809	6
Non-retained US business	22	40	(45)
Corporate Investments unit	24	71	(66)
Operating profit²	905	920	(2)
Investment variance:			
from Core businesses (incl. minority interests)	(441)	(405)	(9)
from Corporate Investments and non-retained US business	(58)	(199)	71
Profit before tax attributable to equity holders²	406	316	28
Profit after tax attributable to equity holders	316	223	42
Core operating earnings per share² (p)	10.94	10.07	9
Operating ROE² (%)	54.6	35.4	
Contractual Service Margin (CSM)	12,106	11,922	2
Solvency II			
Operational surplus generation	729	711	3
Coverage ratio ³ (%)	217	223	
Interim dividend per share (p)	6.12	6.00	2

1. H1 2024 numbers restated to exclude Non-retained US business.

2. Alternative Performance Measure as defined on pages 89-91.

3. The H1 2025 SII coverage ratio allows for the full £500m share buyback and excludes the temporary impacts from Non-retained US business and FX hedges that will unwind on completion of the transaction with Meiji Yasuda.



Half Year 2025 Financial Performance

Income statement

H1 2025 operating performance was strong, with core operating profit of £859m up 6% on prior year. This, in combination with the share buybacks we have completed in 2024 and 2025, has delivered enhanced value for shareholders with core operating EPS up 9% to 10.94p. We continue to expect full year core operating EPS growth to be within our 3-year target range of 6-9%.

Institutional Retirement operating profit increased by 11% to £618m (H1 2024: £557m) underpinned by the growing scale of back book earnings, consistent investment performance, and increased back book optimisation which generated over £150m of profit across our annuity portfolio, a sustainable level for the medium term. In H1 we wrote £3.4bn of global PRT (H1 2024: £1.5bn) and we have written or are exclusive on a further £1.7bn year to date. Our pipeline for PRT remains strong and we expect UK market volumes of £40-50bn in 2025. We continue to write UK PRT at c. 1% Solvency II new business strain.

Asset Management delivered operating profit of £202m (H1 2024: £214m), reflecting the impact of market volatility, including the weakening of USD, which contributed to a 1% lower average AUM over the period. Despite this, revenues grew by 2% as we continued to pivot towards higher-margin products. Overall expenses grew at 5%, with underlying expenses contributing just 1% and a further 4% (£13m) from investing for growth and scalability, as we continue to demonstrate cost control whilst investing through short term volatility to drive higher revenues.

Retail operating profit increased by 3% to £237m (H1 2024: £231m) driven by the investment performance of our annuity portfolio. Our Workplace DC business continues to grow as AUA surpassed £100bn, with net flows up 21% to £4.0bn (H1 2024: £3.3bn) and 5.6 million members.

Profit before tax attributable to equity holders was £406m (H1 2024: £316m), reflecting investment and other variances from core businesses of £(441)m (H1 2024: £(405)m). This is driven primarily by modelling refinements and an action to reduce the cost of reinsurance, where these items increase our store of future profit by £147m but generate an adverse accounting mismatch⁷ of £(139)m in the P&L. We also incurred exceptional costs from organisational restructuring and the write-down of a small number of underperforming assets in Asset Management.

Balance sheet and asset portfolio

Solvency II operational surplus generation (OSG) from our retained operations of £729m (H1 2024: £711m) reflects a combination of continued growth in capital generation across our insurance businesses somewhat offset by reduced earnings in Asset Management due to lower average AUM over the period.

Solvency II coverage ratio is strong at 217% (FY 2024: 232%, H1 2024: 223%). The reduction reflects the payment of the 2024 final dividend (the largest for the year) and allowing fully for the £500m buyback. This is partially offset by capital generation net of new business strain.

The SII coverage ratio of 217% excludes (6)% in respect of the temporary impacts from Non-retained US business that will unwind when the transaction completes. This is predominately driven by high new business strain on US protection due to a timing difference on sourcing reinsurance and USD hedges on the proceeds of the transaction. As a reminder, when we announced the sale back in February, we said that the Solvency II coverage ratio would increase by 7ppts post completion⁸, this was assessed excluding the temporary items set out above and is therefore accretive to the 217% (or the ratio at the point of completion).

Our operating return on equity⁹ was 54.6% (H1 2024: 35.4%).

Our store of future profit increased to £13.1bn (H1 2024: £12.9bn) from core operations, with the CSM of £12.1bn (H1 2024: £11.9bn) reflecting contributions from our growing insurance businesses and the model refinements set out above. Our Risk Adjustment remained broadly flat at £952m (H1 2024: £940m).

7. This is similar to what we have previously seen for longevity releases. It reflects the difference in the release in reserves from the modelling improvements (using current discount rates) and the increase in our store of future profit (CSM & RA) (which is calculated using the point-of-sale discount rates).

8. This impact is assessed post the intended £1bn share buyback, prior to the buyback we said this was expected to be c. +22ppts.

9. See glossary for more information.



Group Strategy

Our strategy aims to deliver a better-connected L&G that will be more capital light over time. We will deliver sustainable growth with a sharper focus and enhanced returns for shareholders. We are targeting:

- 6-9% CAGR in core operating EPS (2024-27)¹⁰
- >20% operating Return on Equity in 2025-2027
- £5-6bn cumulative Solvency II capital generation over three years (2025, 2026, 2027)¹¹

We have well-positioned, capital generative businesses in Institutional Retirement, Asset Management and Retail. Our three businesses are leading players in all the markets they serve, have strong synergies and a shared sense of purpose, which together create significant competitive advantages for the Group.

We are in the early stages of executing our new strategy, and we are executing at pace and already showing great momentum. We have exited non-strategic businesses that added complexity to the Group. Disposing of CALA, for example, has reduced shareholders' exposure to UK housebuilder volatility, whilst releasing both proceeds and management's time for reinvestment into our core propositions.

We are challenging the way we work to deliver further efficiencies in how we operate as a Group. Innovation is critical and we are investing in technology to enhance our customer proposition and improve our back-office infrastructure.

We offer attractive returns, built upon the strong fundamentals of our business. We are disciplined allocators of capital and are committed to the intention to return over £5bn of capital, through dividends and share buybacks, within three years¹².

Our three businesses

Institutional Retirement is a market leader in UK PRT with a growing presence internationally, in the US and via our global reinsurance hub in Bermuda. With significant growth expected in the global PRT market over the next decade and a new baseline for UK volumes, we are well placed to address the increased client demand. Our partnership with Meiji Yasuda further expands our growth potential in the US. Our consistent outperformance is driven by bespoke asset sourcing, manufacturing and origination, with our growing portfolio set to release reliable earnings over decades from our store of future profit (H1 2025: £9.2bn). Our total annuity portfolio, including Retail annuities, remains a valuable source of capital to cornerstone new investment strategies, currently standing at £96bn as at H1 2025.

Key metrics: UK PRT volume guidance of £50-65bn at <4% strain (2024-28), 5-7% operating profit CAGR (FY23-28)

Asset Management is a leading international asset manager with private and public market capabilities and total AUM of £1.1trn, of which 43%¹³ is outside the UK. It has a significant market share of the assets invested by the UK pensions industry, and plays a critical role in growth across the Group by providing a pipeline of "PRT ready" Defined Benefit (DB) clients for Institutional Retirement (over the last three years, 81% of L&G UK PRT new business premiums have come from Asset Management clients), acting as investment manager for our annuity portfolio and being a provider of investment funds for our Workplace DC business in Retail. Private Markets will be a major driver of Asset Management growth both directly in L&G and through our origination partners (e.g. Pemberton).

Key metrics: £500-600m operating profit (2028), £100-150m cumulative ANNR (2025-28), £85bn+ Private Markets AUM (2028)¹⁴, our cost income ratio will reduce to below 70% and our average revenue margin will increase to double digits by 2028.

Retail is a leading provider of retail retirement and protection solutions. We support our 12.4 million customers throughout their lifetime by harnessing technology to deliver efficient and effective customer journeys at scale. As the

10. For the full 2024-2027 target, core operating EPS performance will be measured against the FY24 baseline of 20.23p, prior to any restatement for the Non-retained US business. In 2025, the US business is consistently excluded from both the comparator and in-year performance, as the proceeds from its disposal have not yet been received or deployed.

11. As previously disclosed, we will include the anticipated accelerated capital generation of the Meiji Yasuda transaction in the performance against this target.

12. Three-year period 2025 to 2027.

13. This includes assets from internationally domiciled clients plus assets managed internationally on behalf of UK clients, excludes JV, Associates and other.

14. Including 100% Pemberton fee-earning AUM.



responsibility for savings at retirement shifts from employers to individuals, we continue to leverage our Asset Management capabilities and safeguard the financial futures of our customers.

Key metrics: £40-50bn of cumulative Workplace Savings net flows (2024-28). Our Retail operating profit ambition will be restated to reflect the sale of our US protection business and shared at the Retail investor deep dive in October.

Our capital allocation framework

We have a disciplined capital allocation framework which prioritises:

- A strong and sustainable balance sheet, supported by robust capital generation from our businesses
- Investment for growth, with clearly set out hurdle rates on investment in organic growth and potential bolt-on acquisitions
- Shareholder returns, with surplus capital to be returned to shareholders in the form of dividend or buybacks

Capital from disposals will be deployed in line with this capital allocation policy and where opportunities are not available at our required 14% hurdle rate or we are more capital efficient, we will consider returning more to shareholders.

Returning capital to shareholders

The Board intends to return more to shareholders over 2024-2027 than the equivalent of maintaining a 5% per annum growth in dividend per share (DPS). This will be achieved through a combination of dividends, and ongoing and incremental buybacks. In line with that, half year DPS growth is confirmed at 2%, with an interim dividend per share of 6.12p. As stated previously, from 2025 we intend to grow DPS at 2% per annum out to 2027.

At our full year 2024 results, we announced a buyback of £500m and in February this year, we announced the intention to carry out a £1bn buyback to commence after the completion of the sale of our US protection business and creation of our strategic partnership with Meiji Yasuda.

Overall, we intend to return more than £5bn to shareholders over 2025-2027 through a combination of dividends and buybacks. All capital returns will be subject to the market environment, our views on solvency buffers, and regulatory approval.

Outlook

As we look at H2 2025, with positive commercial momentum in each of our three businesses, we are on track to deliver full year core operating EPS growth of 6-9% and we expect strong capital generation. We anticipate higher growth in OSG at the full year (SII OSG is up 3% at H1 2025). This includes OSG management actions of greater than £300m, which are sustainable in the medium term following increased confidence in profit generation from back book optimisation.

Institutional Retirement is seizing the opportunity presented from another year of high demand for PRT, having already completed or in exclusivity on £5.2bn of transactions globally this year. In the UK, we are actively pricing on or have visibility of £42bn of new deals that we expect to transact in the next 12 months, of which 9 deals are greater than £1bn. We expect strong volumes this year, with good profitability and low new business strain. Profit generated from back book optimisation has increased over H1 and we expect this to be sustainable over the medium term.

Asset Management has had a positive first six months with £15m of ANNR as we continue to see flows into higher margin products and channels. This is expected to increase over the year as we benefit from recent fund launches, new partnerships and execute on our strategy. We will see more of our Workplace clients transitioning into our Lifetime Advantage Fund which has a c. 15% investment in our Private Markets Access Fund. We are also actively working with Meiji Yasuda to develop solutions that address their needs as they look to co-invest into our private markets business.

Retail is focused on new client wins and increased member engagement as it addresses the Workplace DC market opportunity and our strong net flows in H1 will drive higher revenue in H2. We expect increased annuity sales in the second half of the year despite higher competition, as we seek to maintain our strong market share as customer demand for guaranteed income continues. Our Protection businesses have maintained their strong market position and we expect this to continue in H2.

In our **Corporate Investments unit**, we continue to execute our disposal plans for each of the remaining assets in our portfolio in order to simplify our business and maximise value for shareholders. We have made good progress in the first half of 2025 and expect the majority of the value remaining in the portfolio to be realised in the next 12-18 months.

Institutional Retirement

FINANCIAL HIGHLIGHTS ¹ £m	H1 2025	H1 2024
Contractual service margin release	334	312
Risk adjustment release	67	64
Expected investment margin	303	278
Experience variances	(7)	(19)
Non-attributable expenses	(83)	(81)
Other	4	3
Operating profit	618	557
Other investment variance	(218)	(266)
Profit before tax attributable to equity holders	400	291
Contractual service margin (CSM)	8,509	8,252
Risk adjustment (RA)	658	630
Total store of future profit	9,167	8,882
CSM release as a % of closing CSM pre-release	3.8%	3.6%
New business CSM	106	131
New business RA ²	44	(50)
Total new business future profit	150	81
UK PRT	3,291	1,126
International PRT	146	334
Total new business (Gross Premiums)	3,437	1,460
Funded reinsurance premiums ³	-	-
Total new business (net of Funded Reinsurance)	3,437	1,460
Institutional annuity assets⁴ (£bn)	76.5	65.0
Shareholder assets (£bn)	3.0	3.2

1. H1 2024 numbers restated to exclude Non-retained US business.

2. H1 2024 RA includes a £(56)m impact from funded reinsurance on the 2023 Boots Pension Scheme transaction which was put in place after year-end.

3. Reflects funded reinsurance transacted within the reporting period.

4. In the UK, annuity assets across Institutional Retirement and Retail are managed together. We show here estimated Institutional Retirement annuity assets and exclude derivative assets.

Operating profit up 11% to £618m

Our Institutional Retirement business continues to deliver strong profitable growth year on year as our store of future profit is released and we generate additional value through optimisation of our growing back book.

Contractual Service Margin (CSM) release increased 7% to £334m (H1 2024: £312m) reflecting profitable new business written in 2024 and 2025 and the maturing book. Back book optimisation increased over H1 2025 as we took advantage of opportunities in short-term market volatility and ongoing structured rotation of the portfolio to achieve a sustainable level of optimisation.

Profit before tax of £400m (H1 2024: £291m) was impacted by investment and other variances of £(218)m, driven primarily by modelling refinements and an action to reduce our cost of reinsurance, which combined increase our store of future profit by £139m but create an adverse accounting mismatch item in the P&L of £(108)m. Lower than expected returns, reflecting unrealised mark to market movements on shareholder assets, also contributed £(67)m.



Strong trading momentum

During H1 2025, we wrote £3.4bn of global PRT new business across 22 deals (H1 2024: £1.5bn across 15 deals). UK volumes were £3.3bn (H1 2024: £1.1bn) and international volumes were £0.1bn (H1 2024: £0.3bn) after excluding non-retained US PRT, adding £150m to our store of future profit. Under current market conditions, we continue to adopt a gilts-based asset strategy on UK new business similar to H2 2024, resulting in high capital efficiency with a new business strain of c. 1% and additional upside opportunity for future back book optimisation. Institutional Retirement delivered an IFRS new business margin¹⁵ of 7.1% (FY 2024: 7.1%).

Set apart by our synergistic model – a competitive advantage which generates value for all

Institutional Retirement is a leader in the UK PRT market, leveraging our scaled synergistic model, trusted brand and differentiated asset origination in order to execute lower capital strain business and address the increasing client demand.

Longstanding client relationships, typically created and fostered by Asset Management, remain a critical element of our ability to understand pension plan needs and help achieve their de-risking goals. In H1 2025, c. 90% of our UK deals transacted were Asset Management clients.

Our unique competitive advantage also allows us to consistently outperform and create value across multiple markets. Enhanced returns from capital diversification, coupled with our in-house asset manufacturing, enables us to respond swiftly as market environments change. Our newly announced partnership with Blackstone further enhances this, providing a source of highly attractive and diversified matching adjustment assets from markets that complement our existing in-house expertise, most notably in US private credit and infrastructure. These assets will support profit margins on the elevated new business volumes we expect to deliver over the coming years as well as increasing optionality for optimising the back book.

Well positioned to execute in the US and International markets

As the global market opportunity for PRT grows, we are strongly positioned to offer multinational pension de-risking solutions both in the UK and internationally. We continue to develop our position and deepen our expertise to actively participate in new markets, whilst our recently announced partnership with Meiji Yasuda will bolster our presence in the US.

We delivered \$116m or £91m of US PRT new business premiums in the first half of the year (H1 2024: \$420m; £334m) and won a further \$61m year to date, after excluding non-retained US PRT, as well as Canadian PRT volumes of CAD\$101m (H1 2024: nil).

¹⁵. Removes timing constraints on reinsurance imposed by IFRS17, includes annuity book optimisation from Direct Investment capacity enabled by gilts-based investment strategies and is calculated as a percentage of premium net of funded reinsurance. The H1 2025 margin allows for funded reinsurance premiums of £511m.



Asset Management

FINANCIAL HIGHLIGHTS £m	H1 2025	H1 2024
Management fee revenue	492	481
Transactional revenue	8	11
Total revenue	500	492
Total costs	(377)	(359)
Operating profit from fee-related earnings	123	133
Operating profit from Balance Sheet investments	79	81
Total operating profit	202	214
Investment and other variances	(124)	(55)
Profit before tax	78	159
Asset Management cost:income ratio (%)	75%	73%
NET FLOWS AND ASSETS £bn		
External net flows	(5.6)	(28.5)
PRT Transfers	(2.0)	(0.5)
Insurance net flows	2.6	(2.3)
Total net flows	(5.0)	(31.3)
Persistence¹	86	84
<i>Average assets under management</i>	<i>1,115</i>	<i>1,131</i>
Assets under management ex JV and Associates	1,117	1,122
JV & Associate AUM²	20	17
Total AUM	1,136	1,139
<i>Of which:</i>		
- <i>International assets under management³</i>	<i>476</i>	<i>465</i>
- <i>Private Markets⁴</i>	<i>65</i>	<i>55</i>
- <i>UK DC assets under management</i>	<i>192</i>	<i>176</i>

1. Persistence is a measure of client asset retention, calculated as a function of net flows and closing AUM.

2. Includes 100% of assets managed by associates (Pemberton and NTR) and L&G balance sheet assets managed by Asset Management.

3. International AUM includes assets from internationally domiciled clients plus assets managed internationally on behalf of UK clients.

4. Private Markets assets includes assets from associates and is based on Managed AUM including £2.7bn from multi-asset strategies.

Total operating profit of £202m (HY 2024: £214m)

Operating profit from fee-related earnings £123m (H1 2024: £133m)

Operating profit is 6% lower than H1 2024 reflecting the impact of market volatility, including the weakening of USD. Average AUM is down 1% for the period to £1,115m as fixed income valuations were constrained by steepening yield curves and inflationary pressure. Despite this, management fee revenue is up 2% £492m (H1 2024: £481m), reflecting positive flows into higher margin channels such as Workplace DC and Wholesale, increasing our average revenue margin to 9bps.

Operating costs of £377m have increased by 5% since H1 2024, driven by continued investment for growth and scalability of c. £13m which includes costs associated with delivering our strategic target operating model, significant fund launches and strategic partnerships to enhance our capabilities and drive sustainable growth. Underlying operating expenses are just 1% higher than H1 2024 as we continue to drive efficiencies in the business.

Operating profit from Balance Sheet investments £79m (H1 2024: £81m)

Operating profit of £79m is broadly flat, predominately reflecting higher returns from the growth of the portfolio held to support future strategies and seed commitments to catalyse new funding, offset by a smaller uplift in the valuation of Pemberton. On average, over the last five years Pemberton valuation uplifts have contributed less than £50m p.a. to the



Group operating profit. We expect valuation uplifts to continue as Pemberton successfully scales and launches new funds and deploys capital.

Our investment portfolio grew to £1.4bn (FY 2024: £1.2bn).

Profit Before Tax and Investment Variances

Profit before tax was £78m, with investment and other variances of £(124)m, driven by unrealised mark to market movements, as well as exceptional items related to an organisational restructuring and the write-down of a small number of assets which did not meet the criteria to continue funding.

£15m of ANNR, reflecting successes in key channels

Positive ANNR of £15m, reflects success in higher margin products and channels.

Flows into our Defined Contribution (DC) business, contributed £8.1m to ANNR as it continues to attract new assets with an AUM at H1 2025 of £192bn (FY 2024: £183bn). Our ability to offer investors an integrated blend of high-quality investment solutions, pensions administration and Master Trust governance is a significant source of competitive advantage. Flows related to our annuity portfolio generated £3m of ANNR. Combined, these flows underpin our ANNR target of £100m-£150m.

In Wholesale and ETF, we saw £2.6m of ANNR as AUM grew by 6% in H1 2025 to £81bn (FY 2024: £76bn). In particular, our Active Fixed Income strategies have seen strong AUM growth, with our Strategic Bond Fund surpassing AUM of £1bn.

In Asia, we saw £2.8m of ANNR (H1 2024: £0.7m) with AUM growing 2% to £150bn (H1 2024: £147bn), principally driven by our Active Fixed Income strategies.

External net flows of £(5.6)bn includes the structural run-off of UK DB, but at a slower pace than recent years. As the UK DB market matures, our expertise in preparing schemes to achieve buy out or to “run on” means we are well placed to support clients, with many likely to choose L&G as a PRT partner.

Growing our private markets platform

In H1 2025, we grew our private markets platform by 14% to £65bn generating £11m of the total £15m ANNR set out above (private markets ANNR is a subset of the ANNR generated in each of our channels). Our L&G Private Markets Access Fund, giving UK DC investors new routes to access private markets, has grown to £1.4bn in AUM since launch in July 2024.

We continue to use our principal balance sheet capital to invest in alternative assets that generate profits for our shareholders and a positive societal impact, while also providing a pipeline of investable assets to support our fund strategies.

Within our Real Estate business, we have broadened our capabilities and international reach through our acquisition of European and Asian real estate investor, Proprium Capital Partners, while our recently launched Affordable Housing Strategy has continued to grow, with over £800m now under management.

Our Infrastructure business successfully completed the final close of the L&G NTR Clean Power (Europe) Fund raising over €600m. This marks a significant milestone in our commitment to sustainable infrastructure, underscoring our ability to originate and scale thematic strategies that align with long-term structural trends. We are making good progress on the launch of our L&G Digital Infrastructure Fund (LDIF). LDIF is positioned to deliver diversified digital infrastructure exposure and is expected to contribute significantly to our private markets growth ambitions. We continue to build our Private Credit offering with flows originated for our PRT business and in addition we are progressing a bespoke private credit solution for a sophisticated UK Insurer (Admiral Insurance Group) in partnership with Pemberton.

In addition, in July we announced a long-term strategic partnership with Blackstone that enhances our existing capabilities and supports our growth ambitions. The partnership combines Blackstone’s private credit origination scale with our active fixed income expertise and distribution reach, enabling us to develop innovative public/private hybrid credit solutions and expand into attractive global wealth and wholesale channels.



Continued success in international markets

We continue to successfully diversify the business, growing international AUM by 85% since 2018 to £476bn. International AUM was impacted by adverse movements in USD over the period; in local currency our US AUM increased by 8% to \$284bn at H1 2025 (FY24: \$264bn).

In the US, we have benefited from the expansion of our fixed income capabilities, including early success in the insurance sector and the recent launch of a US liquidity fund which significantly increases our addressable Institutional market.

In Europe and Asia, we have seen 16% and 10% year on year growth in revenues respectively reflecting successful execution on our regional growth strategies underpinned by growth in Active Fixed Income capabilities. In Europe, over 25% of our AUM is managed in our active strategies capabilities and smart beta ETF products with an average fee rate of around 17bps.

Creating a better future through Responsible Investing

Responsible investing is core to our approach and we continue to innovate. As at H1 2025, we managed £419bn (H1 2024: £381bn) in responsible investment strategies explicitly linked to ESG criteria for a broad range of clients.

Retail

FINANCIAL HIGHLIGHTS ¹ £m	H1 2025	H1 2024
Contractual service margin release	182	180
Risk adjustment release	37	36
Expected investment margin	85	75
Experience variances	6	12
Non-attributable expenses	(50)	(57)
Other	(23)	(15)
Operating profit	237	231
- Insurance ²	63	68
- Retail Retirement ³	174	163
Other investment variance	(74)	(71)
Profit before tax attributable to equity holders	163	160
Contractual service margin (CSM)	3,597	3,670
Risk adjustment (RA)	294	310
Total store of future profit	3,891	3,980
New business CSM	81	94
New business RA	20	23
Total new business future profit	101	117
Protection new business annual premiums	138	143
Individual annuities single premium	745	1,174
Workplace DC net flows ⁴ (£bn)	4.0	3.3
Lifetime & Retirement Interest Only mortgage advances	104	140
Retail retirement annuity assets ⁵ (£bn)	19.8	17.5
Retail retirement shareholder assets ⁵ (£bn)	0.9	0.9
Retail protection gross premiums	771	760
Group protection gross premiums	388	349
Total protection gross premiums	1,159	1,109

1. H1 2024 restated to exclude Non-retained US business. For further information please see Note 2.01.

2. Insurance includes Retail protection, Group protection and Mortgage Services.

3. Retail Retirement includes Individual Annuities, Lifetime Mortgages, Workplace Admin and returns from shareholder assets.

4. Figures include Workplace DC and Retail Savings net flows.

5. In the UK, annuity assets across Institutional Retirement and Retail are managed together. Estimated proportion of annuity assets belonging to Retail. Excludes derivative assets.

Operating profit up 3% to £237m

Our Retail business has delivered operating profit growth over the period driven by higher back book optimisation on our annuity portfolio as set out earlier. The reliable release of our store of future profit continues to add to growth. **Contractual Service Margin (CSM) release was £182m** (H1 2024: £180m), reflecting 4.8% of the closing CSM pre-release (£3.8bn).

Profit before tax of £163m (H1 2024: £160m) with adverse investment and other variances of £(74)m (H1 24: £(71)m), largely driven by modelling refinements as set out earlier and lower than expected returns on shareholder assets.



Succeeding in a competitive landscape in H1 2025

Our Workplace DC net flows increased by 21% to £4.0bn (H1 2024: £3.3bn), increasing our Workplace pension platform members to 5.6 million. Higher member contributions and new scheme wins have driven strong net flows in H1, and we remain on track to deliver against our target of £40-50bn net flows between 2024 and 2028.

In the individual annuities market, competitors have reacted to our outperformance in 2023 and 2024, which resulted in record volumes in both years. **Retail annuity sales in H1 25 were £745m** (H1 2024: £1,174m, H1 2023: £575m). We expect continued market growth as the benefits of guaranteed income continue to make Retail annuities attractive to customers and we are confident in our ability to maintain our strong market share position.

Group protection gross premium income increased 11% to £388m (H1 2024: £349m) as a result of technology developments alongside strengthening of intermediary relationships. We now have well over 2,400 new SME employers using Onix, our online quote and buy self-service platform, as we continue to invest in digital enhancements for our clients and reaffirm our position as a digital transformation pioneer.

Retail protection gross premium income increased to £771m (H1 2024: £760m), with new business annual premiums of £77m (H1 2024: £75m) in what remained a highly competitive market. Our market share of 18.5%¹⁶ remains strong and we have increased our margin year on year by 0.9% to 2.2%.

Lifetime mortgage advances, including Retirement Interest Only mortgages, were £104m (H1 2024: £140m) as the market remains subdued as a result of higher interest rates.

16. ABI Q1 2025 Report.



Corporate Investments unit

FINANCIAL HIGHLIGHTS £m	H1 2025	H1 2024
Operating profit	24	71
Investment and other variances	(58)	(187)
Profit before tax attributable to equity holders	(34)	(116)
Asset portfolio (£bn)		
CALA	-	1.1
Legacy Real Estate	0.4	0.5
Legacy Land	0.1	0.2
Fintech and Other	0.2	0.2
Total Corporate Investments unit NAV	0.7	2.0

Total operating profit of £24m

Operating profit from our Corporate Investments unit is £24m (H1 2024: £71m), reflecting the sale of Cala in the second half of 2024. We are ahead of plan, with a number of smaller disposals transacted year to date. We expect the majority of the value remaining in the portfolio to be realised in the next 12-18 months.

Investment and other variances of £(58)m is largely driven by unrealised mark-to-market impacts versus the expected return in operating profit.



Borrowings

The Group's outstanding core borrowings totalled £4.3bn at 30 June 2025 (H1 2024: £4.3bn). There is also a further £0.5bn (H1 2024: £1.9bn) of operational borrowings including £0.2bn (H1 2024: £1.6bn) of non-recourse borrowings.

Group debt costs of £112m (H1 2024: £107m) reflect an average cost of debt of 5.0% per annum (H1 2024: 4.8% per annum) on an average nominal value of debt balances of £4.5bn (H1 2024: £4.5bn).

Cash

As at 30 June 2025, the Group held £2,409m of Treasury Assets and Other Shareholder Cash (H1 2024: £2,679m).

Taxation

Equity holders' Effective Tax Rate (%)	H1 2025	H1 2024
Equity holders' total Effective Tax Rate	18.7	30.4
Annualised rate of UK corporation tax	25.0	25.0

The effective tax rate reflects the varying rates of tax that we pay on our businesses in different territories and the mixture of profits and losses across those territories. The lower effective tax rate of 18.7% reflects a more normalised level after several one-off movements in investments that were not tax deductible in H1 2024.

Solvency II¹⁷

As at 30 June 2025, the Group had an estimated Solvency II surplus of £7.6bn over its Solvency Capital Requirement, corresponding to a Solvency II coverage ratio of 217%.

Capital (£m)	H1 2025	FY 2024
Own Funds	14,117	15,860
Solvency Capital Requirement (SCR)	(6,492)	(6,848)
Solvency II surplus	7,626	9,012
SCR coverage ratio (%)	217	232

Analysis of movement from 1 January to 30 June 2025 ¹ (£m)	Solvency II Own Funds	Solvency II SCR	Solvency II Surplus	Solvency II Coverage Ratio
Opening position	15,860	(6,848)	9,012	232%
Operational surplus generation	664	65	729	12%
New business strain	90	(178)	(88)	(5)%
Net surplus generation	754	(113)	641	7%
Operating variances			(184)	5%
Market movements			(443)	(4)%
Share buyback			(503)	(8)%
Dividends paid			(898)	(14)%
Total surplus movement (after dividends paid in the period)	(1,743)	356	(1,387)	(15)%
Closing position	14,117	(6,492)	7,626	217%

1. Please see disclosure note 6.01 for further detail.

Operational surplus generation from continuing businesses is £729m (H1 2024: £711m), after allowing for amortisation of the opening Transitional Measures on Technical Provisions (TMTP) and release of Risk Margin.

New business strain of £(88)m primarily reflects the continued use of the capital light gilts based investment strategy for new business in UK PRT and capital deployed on writing business in Retail annuities and Group Protection. **This results in a net surplus generation from continuing businesses of £641m (H1 2024: £622m).**

Operating variances of £(184)m includes the impact of timing differences on transacting funded reinsurance for new business (offsetting the impact allowed for within the new business strain) and new investments e.g. Proprium and seed capital into LDIF.

Market movements of £(443)m reflects the weakening of USD, unrealised mark-to-market impacts versus expected returns and the impact from a small number of asset write-downs.

The movements shown above incorporate the impact of recalculating the TMTP as at 30 June 2025.

17. The SII position presented below excludes the temporary impacts from Non-retained US business and FX hedges that will unwind on completion.



Sensitivity analysis¹

	Impact on net of tax Solvency II capital surplus H1 2025 £bn	Impact on net of tax Solvency II coverage ratio H1 2025 %
100bps increase in risk-free rates	0.0	11
100bps decrease in risk-free rates	(0.1)	(13)
Credit spreads widen by 100bps assuming an escalating addition to ratings	0.1	8
Credit spreads widen by 100bps assuming a flat addition to ratings	0.2	11
Credit spreads narrow by 100bps assuming a flat deduction from ratings	(0.4)	(15)
Credit spreads of sub investment grade assets widen by 100bps assuming a level addition to ratings	(0.1)	(2)
Credit migration	(0.5)	(8)
25% fall in equity markets	(0.5)	(5)
15% fall in property markets	(0.9)	(12)
50bps increase in future inflation expectations	0.1	(0)

1. Please see disclosure 6.01 (v) for further details. Note the SII sensitivities presented above continue to allow for Non-retained US business.

The above sensitivity analysis does not reflect all management actions which could be taken to reduce the impacts. In practice, the Group actively manages its asset and liability positions to respond to market movements. Allowance is made for the recalculation of the Loss Absorbing Capacity of Deferred Tax for all stresses, assuming full capacity remains available post stress.

The impacts of these stresses are not linear therefore these results should not be used to interpolate or extrapolate the impact of a smaller or larger stress. The results of these tests are indicative of the market conditions prevailing at the balance sheet date. The results would be different if performed at an alternative reporting date.

Solvency II new business contribution

Management estimates of the present value of new business premiums (PVNBP) and the margin as at 30 June 2025 are shown below¹:

£m	PVNBP	Contribution from new business	Margin %
Institutional Retirement – UK annuity business	2,648	134	5.1
Retail Retirement	745	23	3.1
UK Protection	801	32	4.0

The key economic assumptions as at 30 June 2025 are as follows:

	%
Margin for risk	3.6
Risk-free rate	
- UK	4.3
- US	4.2
Risk discount rate (net of tax)	
- UK	7.9
- US	7.8
Long-term rate of return on non-profit annuities	5.6

1. Please see disclosure 6.02 for further details.

The future earnings are discounted using duration-based discount rates, which is the sum of a duration-based risk-free rate and a flat margin for risk. The risk-free rate shown above is a weighted average based on the projected cash flows.

Economic and non-economic assumptions are set to best estimates of their real-world outcomes, including a risk premium for asset returns where appropriate. In particular:

- The assumed future pre-tax returns on fixed interest and RPI linked securities are set by reference to yield on the relevant backing assets, net of an allowance for default risk which takes into account the credit rating and the outstanding term of the assets. The weighted average deduction for business written in 2025 equates to a level rate deduction from the expected returns of 15 basis points. The calculated return takes account of derivatives and other credit instruments in the investment portfolio.
- Non-economic assumptions have been set at levels commensurate with recent operating experience, including those for mortality, morbidity, persistency and maintenance expenses (excluding development costs). An allowance is made for future mortality improvement. For new business, mortality assumptions may be modified to take certain scheme specific features into account.

The profits on the new business are presented gross of tax.

Principal risks and uncertainties

The directors confirm that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity.

The principal risks are set out below including details of how they have been managed or mitigated. Further details of the Group's inherent risk exposures are set out at Notes 8 and 16 to 18 of the annual financial statements.

Risks and Uncertainties		Risk management / Mitigation	Outlook / Developments
Investment market performance and conditions in the broader economy may adversely impact earnings, profitability, liquidity or surplus capital.		<p>We cannot completely eliminate the downside impacts on our earnings, profitability, liquidity, or surplus capital from investment market volatility and adverse economic conditions, although we seek to position our investment portfolios and wider business plans for a range of plausible economic scenarios and investment market conditions to ensure resilience. This includes setting risk limits on exposures to different asset classes and where hedging instruments exist, we seek to use them to limit our exposures to risks which are not adequately rewarded. We maintain a range of actions to retain liquidity flexibility as well as to manage our solvency position.</p> <p>Our Own Risk Solvency Assessment ("ORSA") process is integral to our risk management approach and includes an assessment of the financial impacts of risks associated with investment market volatility and adverse economic scenarios for our solvency balance sheet, capital sufficiency, and liquidity requirements.</p>	<p>The global economic outlook remains uncertain. The potential for external shocks continues to pose risks to both macroeconomic stability and financial market performance.</p> <p>Our businesses are primarily exposed to economic conditions in the UK and US. Both these economies are going through transitional phases, and fiscal pressure and elevated government bond yields are creating both risks and opportunities for us. The pace and timing of Central Bank interest rate cuts remain uncertain, and the likelihood of a continued smooth economic adjustment ("soft landing") cannot be assured for either economy.</p> <p>Geopolitical risk factors remain elevated, including on-going conflicts in Ukraine and the Middle East, and the impact of a resurgence of populist and nationalist politics in many countries. Notably, US foreign and trade policy has resulted in significant market volatility throughout 2025. Markets have struggled to process informal and ad hoc approaches to policy making and policy announcements.</p> <p>The erosion of multilateral structures for the coordination of economic and monetary policy could mean that future crises elicit a less effective mitigating response; negative impacts could therefore be much greater than in the past.</p> <p>Asset values, including both commercial and residential property prices, remain vulnerable to downward reappraisal, stemming from deteriorating macroeconomic conditions and heightened geopolitical risk. Commercial property markets show some stabilisation, albeit transaction volumes remain</p>
Risk Category	Financial		
Risk Priority	High		
Risk Climate/ Perception	Deteriorated		
<p>The performance and liquidity of financial and property markets, interest rate movements and inflation impact the value of investments we hold in both shareholders' funds and to meet the obligations from insurance business; the movement in certain investments directly impacts profitability. Interest rate movements and inflation can also change the value of our obligations and although we seek to match assets and liabilities, losses can still arise.</p> <p>Falls in the risk-free yield curve can also create a greater degree of inherent volatility to be managed in the solvency balance sheet, potentially impacting capital requirements and surplus capital. Rises in risk free rates can lead to reduced liquidity buffers. Falls in the value of Assets Under Management can reduce our investment management fee income.</p>			

Risks and Uncertainties		Risk management / Mitigation	Outlook / Developments
			<p>suppressed, and pressure persists within the office sector.</p> <p>Within our construction businesses, supply chain pressure and input cost inflation appear to be moderating. However, we remain vigilant over cost inflation being absorbed by the supply chain. Labour shortages also continue to present risk.</p>
<p>In dealing with issuers of debt and other types of counterparty, the Group is exposed to the risk of financial loss.</p>		<p>We manage our exposure to downgrade and default risks within our bond portfolios, through setting selection criteria and exposure limits, and using L&G Asset Management's global credit team's capabilities to ensure risks are effectively controlled. Where appropriate we trade out of individual names to improve credit quality. In our property lending businesses, our loan criteria take account of borrower creditworthiness and the potential for movements in the value of security to impact refinancing risk where it exists.</p> <p>We manage our reinsurer exposures tightly, with the vast majority of our reinsurers having a minimum A- rating, setting rating-based exposure limits, and where appropriate taking collateral. Similarly, we seek to limit aggregate exposure to banking, money market and service providers. Whilst we manage risks to our balance sheet, we can never eliminate downgrade or default risks, although we seek to hold a strong balance sheet that we believe to be prudent for a range of adverse scenarios.</p>	<p>The risk of credit default typically rises during periods of subdued economic growth. We continue to closely monitor key drivers of potential credit spread widening, particularly the outlook for the real economy, and shifts in fiscal and monetary policy.</p> <p>UK GDP growth was robust in Q1, while the US recorded a mild contraction, both attributed to front-loading effects in response to US tariff concerns, as well as housing transactions in UK, which are likely to unwind later in the year. The evolving impact of US tariffs remains a significant source of uncertainty, and immigration policy continues to pose downside risks. Additionally, rising labour costs in the UK, including increases in the minimum wage and National Insurance contributions, continue to present risks.</p> <p>We maintain a vigilant approach to risk, actively monitoring the short-term performance of assets across our portfolio, while continuously evaluating the medium- to long-term outlook. Our credit portfolio remains predominantly (99%+) investment grade.</p>
Risk Category	Financial		
Risk Priority	High		
Risk Climate/ Perception	Stable		
<p>Systemic corporate sector failures, a profound economic slow-down or a major sovereign debt event, could, in extreme scenarios, trigger defaults impacting the value of our bond portfolios. Under Solvency II, a widespread widening of credit spreads and downgrades can also result in a reduction in our balance sheet surplus, despite already having set aside significant capital for credit risk.</p> <p>We are also exposed to default risks in dealing with banking, money market and reinsurance counterparties, as well as settlement, custody, and other bespoke business services. Default risk also arises where we undertake property lending, with exposure to loss if an accrued debt exceeds the value of security taken.</p>			
<p>We fail to respond to the emerging threats from climate change for our investment portfolios and wider businesses.</p>		<p>We recognise that our scale brings a responsibility to act decisively in positioning our balance sheet in the context of the threats from climate change. We continue to embed the assessment of climate risks in our investment process, including in the management of real assets. We measure the carbon intensity of our investment portfolios. Along with specific</p>	<p>Over the coming decade, achieving global carbon reduction targets will require transformative societal change on an unprecedented scale.</p> <p>The escalating frequency of record-breaking heatwaves and extreme weather events has underscored the rapid and profound consequences of growing climate volatility.</p>
Risk Category	Strategic		
Risk Priority	Medium		
Risk Climate/ Perception	Deteriorated		
<p>As a significant investor in financial markets, commercial real estate and housing, we are exposed to climate related</p>			

Risks and Uncertainties	Risk management / Mitigation	Outlook / Developments						
<p>transition risks. Abrupt shifts in the political and technological landscape could impact the value of those investment assets associated with higher levels of greenhouse gas emissions.</p> <p>Physical risks, stemming from extreme outcomes, could impact the valuation of at-risk assets, for example floods could impact the value of our property assets; and could also potentially have longer-term effects on mortality rates.</p> <p>We are also exposed to reputation and climate related litigation risks should our responses to the threats from climate change be judged not to align with the expectations of advocacy groups. Our risk management approach is also reliant upon the availability of verifiable consistent and comparable emissions data.</p>	<p>investment exclusions for carbon intensive sectors, we have set overall reduction targets aligned with the 1.5°C Paris objective. This includes science-based targets to support our emission reduction goals in line with our transition plan.</p> <p>We are evolving our approach to the inclusion of nature and biodiversity alongside our climate risk work.</p> <p>Alongside managing physical and transition exposures, we closely monitor the political and regulatory landscape, and as part of our climate strategy we engage with regulators and investee companies in support of climate action. As we change how we invest, the products and services we offer, and how we operate, we are also mindful of the need to ensure that we have the right skills for the future.</p> <p>We are diligent in seeking to ensure that any statement we make about the climate/nature/sustainability characteristics of our business, our portfolios and our products is backed up with solid evidence and reasoning to avoid accusations of greenwashing.</p>	<p>If governments fail to enable an orderly transition to low-carbon economies, the likelihood of abrupt, late-stage policy interventions increases, potentially triggering dramatic, unanticipated shifts in asset values across affected industries. While our transition strategies aim to mitigate exposure to these risks, their effectiveness depends heavily on the actual progress made by companies and Governments in decarbonising the global economy.</p> <p>Rising anti-ESG sentiment, especially in regions heavily reliant on fossil fuel industries, could further constrain global progress and limit investment opportunities.</p> <p>While a broad array of efforts to combat global warming is underway, the window to achieve a near-1.5°C temperature rise is narrowing rapidly. We remain committed to our current ambition, but acknowledge this tightening trajectory may challenge our ability to meet our own climate-related targets.</p> <p>Looking ahead, we anticipate an intensified focus on nature and biodiversity risks as part of the broader environmental agenda.</p>						
<p>Changes in demographic experience, regulatory changes, increased expenses and taxation levels may require revisions to our pricing and reserving bases.</p> <p>Changes in capital requirements, including UK and Insurance Capital Standards, could impact our reported solvency position and our dividend and capital return policy.</p> <table><tr><td>Risk Category</td><td>Financial</td></tr><tr><td>Risk Priority</td><td>Medium</td></tr><tr><td>Risk Climate/ Perception</td><td>Improved</td></tr></table> <p>The pricing of long-term business requires the setting of assumptions for long-term trends in factors such as mortality, lapse rates, expenses, interest rates and credit</p>	Risk Category	Financial	Risk Priority	Medium	Risk Climate/ Perception	Improved	<p>We undertake significant analysis of the variables associated with writing long-term insurance business to ensure that a suitable premium is charged for the risks we take on, and that provisions continue to remain appropriate for factors including mortality, morbidity, lapse rates, expenses, and credit defaults in the assets backing our insurance liabilities.</p> <p>We seek to have a comprehensive understanding of longevity, mortality, and morbidity risks, and we continue to evaluate wider trends in life expectancy. However, we cannot remove the risk that adjustment to reserves may be</p>	<p>Since the onset of the Covid-19 pandemic, both the UK and the US have experienced elevated levels of mortality. Although uncertainty around future trends remains, UK population-level mortality has now returned to similar levels to 2019, indicating no relative improvement for 5 years.</p> <p>In February 2025, L&G reached an agreement to sell its US protection business to Meiji Yasuda, while retaining an 80% economic interest in the US Pension Risk Transfer (PRT) market through reinsurance. This strategic transaction reduces our exposure to US mortality risk.</p>
Risk Category	Financial							
Risk Priority	Medium							
Risk Climate/ Perception	Improved							

Risks and Uncertainties	Risk management / Mitigation	Outlook / Developments
<p>defaults. Actual experience may require recalibration of these assumptions, changing the level of liability provisions and impacting reported profitability.</p> <p>Regulation defines the overall framework for the design, marketing, taxation and distribution of our products, and the prudential provisions and capital that we hold. Significant changes in legislation or regulation may increase our cost base, reduce our future revenues, impact profitability or require us to hold more capital.</p> <p>The prominence of this risk increases where change is implemented without prior engagement with the sector. The nature of long-term business can also result in some changes or re- interpretation of regulation over time, having a retrospective effect on in-force books of business, impacting future cash generation.</p> <p>Changes in these areas can affect our reported solvency position and our dividend and capital return policy.</p>	<p>required, although the selective use of reinsurance acts to reduce the impact to us of significant variations in life expectancy and mortality.</p> <p>We actively engage with government and regulatory bodies to assist in the evaluation of regulatory and tax change to promote outcomes that meet the needs of all stakeholders. To influence policy, our interactions with the government and policy teams at regulators include face-to-face and virtual meetings, written responses to discussion papers and consultations, ad-hoc communications and attendance at roundtables with industry peers. With our experience various sectors, we can explain how proposed policy translates into practice and identify potential issues or unintended consequences that might arise.</p> <p>When such regulatory changes move to the implementation stage, we undertake detailed gap analysis work and depending on the scale of the remediation required, establish project management arrangements with first- and second-line teams working together. This is to ensure we deliver regulatory change effectively and efficiently, minimising disruption to our operations and to our customers and clients.</p>	<p>Cost-of-living pressures and changes in government spending, particularly concerning health and social care, also have the potential to influence future mortality outcomes.</p> <p>Beyond Covid-19, emerging diseases and developments in immunology and weight loss drugs continue to shape mortality and morbidity expectations. Other factors that may influence future reserving requirements include medical breakthroughs that result in more effective treatments than currently anticipated, potentially necessitating adjustments to longevity assumptions.</p> <p>At present, we do not consider climate change a material driver of mortality or longevity risk in the medium term. However, this assessment remains under active review.</p> <p>The UK has experienced sustained inflationary pressure in recent years. Although inflation has eased from peak levels, it remains above the Bank of England's target. Inflation continues to impact our expense base and may be further exacerbated by the cost of compliance with new regulatory requirements. We have proactively incorporated expected price and salary inflation into our pricing and reserving assumptions and are closely monitoring future developments.</p> <p>The UK's Solvency UK reforms aim to broaden investment options for annuity providers, enabling greater risk diversification. We have adapted our risk framework to meet or exceed regulatory expectations, particularly in areas such as funded reinsurance, Matching Adjustment, and liquidity risk management and reporting.</p> <p>The Bermuda Monetary Authority ("BMA") revised its capital regime for life insurers in 2023, with changes effective from March 2024 and reflected in our results.</p> <p>The Insurance Capital Standards (ICS), a global minimum standard capital for</p>

Risks and Uncertainties		Risk management / Mitigation	Outlook / Developments
			<p>Internationally Active Insurance Groups (IAIGs), was adopted by the International Association of Insurance Supervisors (IAIS) in December 2024. L&G Group, designated an IAIG by the PRA, has actively contributed to ICS-related consultations and data initiatives. The PRA has confirmed that Solvency UK serves as the local implementation of ICS, with no dual reporting requirement. We will continue to engage with the PRA as ICS evolves, although no significant actions are anticipated in the near term.</p> <p>From 1 January 2024, new UK rules implemented both a global minimum tax regime and a domestic minimum tax rate of 15%, applicable to all of the Group's global businesses and from 1 January 2025 Bermudan corporate income tax has been in effect. The Group continues to work to ensure compliance with these new regimes whilst engaging with Regulators as legislation continues to evolve. Recently proposed and significant tax developments in the US, which were withdrawn on the basis of agreement reached between the US, G7 and OECD Inclusive Framework, highlight the ongoing uncertainty and pace of change in the international tax landscape. As a result of this US/G7/OECD agreement, further change is expected to the scope and application of the global minimum tax regime, and the Group will continue to monitor applicable developments and ensure compliance.</p>
<p>Failure to effectively implement regulatory or legislative change applying to the financial services sector in a timely manner could lead to regulatory censure, reputational damage, and deteriorating customer and client outcomes.</p>		<p>We identify, track and review the impact of regulatory and legislative change through our internal control processes, with material updates being considered at the Executive and Group Risk Committees and the Group Board. Our processes are designed to ensure compliance with all new and developing regulation.</p> <p>We have a proactive engagement strategy with our principal regulators and constructively</p>	<p>The Key forthcoming developments in our risk areas include:</p> <p>Regulatory Environment: HM Treasury has announced a review of the regulatory environment with a focus on streamlining regulation and the role and remit of regulators. This coupled with the FCA's new strategy, and the expected change of PRA CEO in 2026 indicates the current regime will continue to evolve and we will need to react appropriately to manage this, Jointly the FCA, PRA and HM Treasury</p>
Risk Category	Non-Financial		
Risk Priority	Medium		
Risk Climate/ Perception	Improved		
<p>We are exposed to several risks where effective identification and implementation</p>			

Risks and Uncertainties	Risk management / Mitigation	Outlook / Developments
<p>of regulatory changes are particularly important. These include changes relating to our management of operational risk, prudential risk, conduct risk, financial crime risk, climate risk and health & safety risk. The magnitude or scope of some regulatory changes can have a bearing on our ability to deliver our overall strategy.</p> <p>Regulatory or legislative changes can have a significant impact on our business. Such changes could limit our ability to operate in certain markets or sectors, potentially leading to a reduction in our customer and client base and revenue.</p> <p>There is a risk that regulatory policies could develop in a manner that is detrimental to our business and/ or customers and clients. Alternatively, it could develop in a way that presents opportunities, but we fail to revise our strategy and adapt quickly enough to benefit.</p> <p>Non-compliance with new regulations or legislation could potentially damage our reputation with customers, shareholders and the markets we operate in, which could result in regulatory sanctions including potentially significant monetary penalties and loss of trust with our clients and customers.</p>	<p>engage with legislative and regulatory bodies to influence the direction of travel on policy developments for the benefit of our customers and other stakeholders.</p> <p>We have met regulatory expectations for Operational Resilience by identifying important business services, strengthening controls, completing testing, and enhancing cyber recovery, demonstrating recovery capabilities.</p>	<p>are looking to reform the SMCR to reduce the regulatory burden on firms. Whilst welcome, this will take effort to unwind processes that have been embedded over the past six years.</p> <p>Operational Resilience: We have responded to the FCA and PRA aligned consultation papers on Operational Resilience: Operational incident and outsourcing and third-party reporting and are preparing for these new rules being implemented in H2 2026.</p> <p>Conduct Regulation: The FCA has commenced a fast-paced approach to reviewing its handbook and is working more closely with Government to change the UK Financial Services Market creating opportunities for firms as the rulebook is streamlined, but also challenges given the pace and breadth of the changes. Key initiatives which could impact our strategy include: The Pure Protection Market Study; the joint FCA and HM Treasury proposal to introduce a new targeted support regime to improve the availability and affordability of help with financial decision making; and the broader Advice Guidance Boundary Review.</p> <p>We successfully implemented the Consumer Duty for front and back book business and await the FCA's review of the application in wholesale firms and the Commercial insurance market.</p> <p>Prudential Regulation: The PRA announced its supervisory priorities for the Insurance Sector in January 2025 and continues to progress this at both a firm and sector level. Key focus areas include the Bulk Purchase Annuities market where its concerns over the risks associated with non-standard features have been expressed in a Dear CRO letter; reforms of the Matching Adjustment Regime provide an opportunity to move more quickly to invest new assets within our portfolio; whilst the</p>

Risks and Uncertainties	Risk management / Mitigation	Outlook / Developments						
		<p>intended publication of LIST 25 results on a firm basis will require considered messaging.</p> <p>Climate risk: The landscape of climate regulation across the UK, US, and EU continues to shift, with numerous moving parts still in play.</p> <p>We are preparing for the implementation of International Sustainability Standards Board (ISSB) disclosure standards from 2026. Expectations relating to Nature are evolving at pace, reflecting the increasing recognition of biodiversity and ecosystem-related risks.</p> <p>The PRA has published a Consultation Paper on revising SS3/19 highlighting the slow progress it has observed to date from regulated firms in managing climate-related financial risks effectively. Aligning with the PRA’s new expectations will require significant work within a relatively tight implementation timeline.</p> <p>Health and Safety: L&G continues to navigate diverse legal responsibilities in relation to Health & Safety as an employer, asset manager, landlord and client. The exit of CALA Group has led to a significant reduction in Health & Safety incidents. However, we are still focussed on ensuring proportionate and consistent controls and governance are in place.</p>						
<p>New entrants and/or new technology and/or evolving government policy may disrupt the markets in which we operate.</p> <table><tr><td>Risk Category</td><td>Strategic</td></tr><tr><td>Risk Priority</td><td>Medium</td></tr><tr><td>Risk Climate/ Perception</td><td>Stable</td></tr></table> <p>There is already strong competition in our markets, and although we have had considerable past success at building scale to offer low-cost products, we recognise that markets remain attractive to new entrants.</p>	Risk Category	Strategic	Risk Priority	Medium	Risk Climate/ Perception	Stable	<p>We continuously monitor the factors that may impact the markets in which we operate.</p> <p>We have responded to the rapid advancement and accessibility of generative AI capabilities from third parties by launching a central AI Accelerator programme. This initiative brings together colleagues across the Group to shape and incubate our generative AI approaches, raise awareness and educate our business, and deliver a secure</p>	<p>We continue to see a rapid acceleration of key trends, notably increased consumer engagement with digital business models and online servicing tools. In response to this evolving operating environment, businesses like ours have transformed working practices and are poised to invest further in automation, leveraging robotics and machine learning to enhance operational efficiency. We are also advancing our understanding of both generative and traditional AI, exploring their potential impact</p>
Risk Category	Strategic							
Risk Priority	Medium							
Risk Climate/ Perception	Stable							

Risks and Uncertainties	Risk management / Mitigation	Outlook / Developments
<p>We are also cognisant of competitors who may have lower return on capital requirements or be unconstrained by Solvency II and/or Solvency UK.</p> <p>The continued evolution of AI has the potential to be a significant disrupting force across our businesses, for example by enabling new entrants to compete with potentially lower costs, and more efficient processes. The technology itself could have an impact on asset valuations, and on our liabilities including through its impact on life sciences and health care systems effectiveness.</p>	<p>environment for internal test and learn use cases.</p> <p>Our regulatory developments team keeps a close watch on the AI landscape across all our jurisdictions. We have been actively engaged in numerous consultations in relation to AI and generative AI.</p>	<p>across our businesses and in the wider sector.</p> <p>We remain actively engaged with the UK Government on the proposed reforms outlined in the Pensions Investment Review and other related initiatives. Notably, we became the first major pension provider to successfully complete integration testing with the Pensions Dashboard Programme, in advance of the official connections launch in April 2025.</p> <p>The recent UK Government Pensions Bill and associated legislative and regulatory changes committed to in the Mansion House Accord can have significant repercussions for our business model across both DB and DC books. Whilst the implementation roadmap runs to 2030 there is significant work required in the next two years to ensure we able to appropriately implement the changes whilst navigating the evolving regulatory environment.</p> <p>Our businesses are well positioned to navigate shifts in the competitive landscape, particularly those prompted by pensions reforms. We welcome market innovation, such as the proposed introduction of defined benefit 'superfund' consolidation schemes, provided member benefit security remains paramount. We also anticipate the emergence of alternative de-risking solutions that may target similar segments to superfunds, such as for DB schemes with funding levels near 90%.</p> <p>We view the upcoming pension dashboards initiative as a significant and positive advancement. Having successfully completed integration testing, we are well positioned to connect and contribute.</p> <p>On the 'collective' defined contribution reform, while current market appetite has been limited, it retains the potential to reshape both</p>

Risks and Uncertainties		Risk management / Mitigation	Outlook / Developments	
			the workplace and retirement income ecosystems.	
A material failure in our business processes or IT security may result in unanticipated financial loss or reputational damage.		Our risk governance model seeks to ensure that business management are actively engaged in maintaining an appropriate control environment, supported by risk functions led by the Chief Risk Officer, with independent assurance from Group Internal Audit. We continue to evolve our risk management approach for change, IT, security, operational resilience and data access and privacy. Whilst we seek to maintain a control environment commensurate with our risk profile, we recognise that residual risk will always remain across the spectrum of our business operations and we aim to develop response plans so that when adverse events occur, appropriate actions are deployed.	We remain vigilant to evolving operational risks and continue to invest in system capabilities, including those related to cyber risk management, to ensure the resilience of our critical business processes. As we transition to a new global operating model and IT platform for Asset Management, we remain cognisant of the associated risks and have structured the migration in carefully phased stages to mitigate change risks.	
Risk Category	Non-Financial		The rise of Artificial Intelligence (AI) is being closely monitored due to its potential to significantly shape business outcomes, both positively and adversely. While AI presents opportunities for enhancing customer experience and streamlining business operations, it also introduces additional risk. The growing reliance on accurate, secure, and well-governed 'Data' underscores the importance of our ongoing enhancements to the L&G Data Management Framework, which serves as a critical enabler of safe and selective AI integration.	
Risk Priority	High			From a cybersecurity standpoint, we are maintaining heightened vigilance and proactively adapting our security protocols to address the risks posed by malicious AI applications that target L&G infrastructure. This remains a key area of focus and continuous investment.
Risk Climate/ Perception	Stable			
We have constructed our framework of internal control to minimise the risk of unanticipated financial loss or damage to our reputation. However, no system of internal control can completely eliminate the risk of error, financial loss, fraudulent actions, or reputational damage. We are also inherently exposed to cyber threats including the risks of data theft and fraud and more generally, it is imperative that we maintain the privacy of our customers and clients' personal data. There is also strong stakeholder expectation that our core business services are resilient to operational disruption.				
The successful delivery of our strategy is dependent on the ability to attract and retain talent with the right skills and capabilities.		We seek to ensure that key personnel dependencies do not arise, through employee training and development programmes, remuneration strategies and succession planning. Our processes include the active identification and development of talent within our workforce, and by highlighting our values and social purpose, promoting L&G as a great place to work. As well as investing	Despite continued caution across the financial services sector, driven by shifting regulations and an uncertain macroeconomic landscape, competition for top talent remains robust, especially in high-growth areas like Private Markets. While salary inflation has moderated compared to previous years, this trend is expected to persist as hiring demand cools yet remains resilient among private sector employers.	
Risk Category	Non-Financial			
Risk Priority	Medium			
Risk Climate/ Perception	Stable			
The Group aims to recruit, develop and retain high quality individuals. We are inherently exposed to the risk that key				

Risks and Uncertainties	Risk management / Mitigation	Outlook / Developments
<p>personnel or teams and their associated expertise may leave the Group, with an adverse effect on the Group's businesses. As we increasingly focus on the digitalisation of our businesses, we are also competing for technology and digital skill sets with other business sectors as well as our peers.</p>	<p>in our people, we are also transforming how we engage and develop capabilities, with new technologies and tools to support globalisation, increase productivity and provide an exceptional employee experience.</p>	<p>We remain steadfast in our commitment to attract, develop, and retain exceptional talent by continuously evolving our strategies to stay aligned with dynamic market conditions.</p>



Notes

A copy of this announcement can be found in “Results, Reports and Presentations”, under the “Investors” section of our shareholder website at [here](#).

A presentation to analysts and investors will take place at 10:00am UK time today at One Coleman Street, London, EC2R 5AA. There will also be a live webcast of the presentation that can be accessed at [here](#).

A replay of the presentation will be made available on this website by 7 August 2025.

Financial Calendar	Date
Ex-dividend date (2025 interim dividend)	21 August 2025
Record date	22 August 2025
Dividend payment date	26 September 2025
Retail Investor Deep Dive	23 October 2025

Definitions

Definitions are included in the Glossary on pages 92 to 97 of this release.

Forward-looking statements

This release may contain ‘forward-looking statements’ with respect to the financial condition, performance and position, strategy, results of operations and businesses of the company and the Group that are based on management’s current expectations or beliefs, as well as assumptions and projections about future events. These forward- looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as ‘aim’, ‘ambition’, ‘may’, ‘could’, ‘will’, ‘expect’, ‘intend’, ‘estimate’, ‘anticipate’, ‘believe’, ‘plan’, ‘seek’, ‘continue’, ‘milestones’, ‘outlook’, ‘target’, ‘objectives’ or other words of similar meaning. By their very nature, forward-looking statements are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and the Group’s plans and objectives, to differ materially from those expressed or implied in the forward-looking statements. Recipients should not place undue reliance on, and are cautioned about relying on, any forward-looking statements.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. The factors that could cause actual results to differ materially from those described in the forward-looking statements include (but are not limited to): changes in global, political, economic, business, competitive and market forces or conditions; future exchange and interest rates; changes in environmental, social or physical risks; legislative, regulatory and policy developments; risks arising out of health crises and pandemics; changes in tax rates, future business combinations or dispositions; and other factors specific to the Group. Any forward-looking statement contained in this document is based on past or current trends and/or activities of the Group and should not be taken as a guarantee, warranty or representation that such trends or activities will continue in the future. No statement in this document is intended to be a profit forecast or to imply that the earnings of the Group for the current year or future years will necessarily match or exceed the historical or published earnings of the Group. Each forward-looking statement speaks only as of the date of the particular statement. Except as required by any applicable laws or regulations, the Group expressly disclaims any obligation to revise or update any forward- looking statement contained within this document, regardless of whether those statements are affected as a result of new information, future events or otherwise.

The information, statements and opinions contained in this release do not constitute an offer to sell or buy or the solicitation of an offer to sell or buy any securities or financial instruments nor do they constitute any advice or recommendation with respect to such securities or other financial instruments or any other matter.

Caution about climate information

This release contains climate and ESG disclosures which use a large number of judgments, assumptions and estimates in connection with involved complex issues. The ESG disclosures should be treated with special caution, as ESG and climate data, models and methodologies are often relatively new, are rapidly evolving and are not of the same standard



as those available in the context of other financial information, nor are they subject to the same or equivalent disclosure standards, historical reference points, benchmarks, market consensus or globally accepted accounting principles. These judgments, assumptions and estimates are likely to change over time, in particular given the uncertainty around the evolution and impact of climate change.

In addition, the Group's climate risk analysis and net zero strategy remain under development and the data underlying the analysis and strategy remain subject to evolution. As a result, certain climate and ESG disclosures made in this report are likely to be amended, updated, recalculated or restated in future reports. This statement should be read together with the Cautionary statement contained in the Group's latest Climate and nature report. The information, statements and opinions contained in this release do not constitute an offer to sell or buy or the solicitation of an offer to sell or buy any securities or financial instruments nor do they constitute any advice or recommendation with respect to such securities or other financial instruments or any other matter.

Going concern statement

A going concern statement is included on disclosure note 4.01(i) on page 47 of this release.

Directors' responsibility statement

We confirm to the best of our knowledge that:

- The Group consolidated financial statements have been prepared in accordance with the UK-adopted IAS 34 Interim Financial Reporting.
- The interim management report includes a fair review of information required by DTR 4.2.7R, namely an indication of important events that have occurred during the first six months of the financial year and their impact on the consolidated interim financial statements, as well as a description of the principal risks and uncertainties faced by the company and undertakings included in the consolidation taken as a whole for the remaining six months of the financial year;
- The interim management report includes, as required by DTR 4.2.8R, a fair review of related party transactions that:
 - have taken place in the first six months of the financial year and that have materially affected the financial position or the performance of the company during that period; and
 - any changes in the related party transactions described in the last Annual Report and Accounts that could have a material effect on the financial position or performance of the company in the first six months of the current financial year
- A list of current directors of L&G Group Plc is maintained on the L&G Group Plc website:
<https://group.legalandgeneral.com/en/about-us/our-management/group-board>

By order of the Board

António Pedro dos Santos Simões
Group Chief Executive Officer
5 August 2025

Stuart Jeffrey Davies
Group Chief Financial Officer
5 August 2025

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Independent review report to Legal & General Group Plc

Conclusion

We have been engaged by Legal & General Group Plc ("the Company") to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2025 which comprises the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows, IFRS Disclosures on performance, and the IFRS Disclosure Notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2025 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted for use in the UK and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* ("ISRE (UK) 2410") issued for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention that causes us to believe that the directors have inappropriately adopted the going concern basis of accounting, or that the directors have identified material uncertainties relating to going concern that have not been appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Company to cease to continue as a going concern, and the above conclusions are not a guarantee that the Company will continue in operation.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in Note 4.01, the half-yearly financial report of the Company is prepared in accordance with UK-adopted international accounting standards.

The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted for use in the UK.

In preparing the condensed set of financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Philip Smart
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL
5 August 2025

IFRS Disclosures on performance

2.01 Impact of the planned sale of the Group's US insurance entity on financial reporting

On 7 February 2025 the Group announced that it had agreed the sale of its US insurance entity¹, comprising its US protection and US pension risk transfer (PRT) businesses, to Meiji Yasuda Life Insurance Company (Meiji Yasuda), a Japanese mutual life insurance company, for \$2.3bn (£1.8bn) payable in cash at completion (subject to certain purchase price adjustments).

Following completion, expected before the end of 2025, Meiji Yasuda will own the Group's US protection business and have a 20% economic interest in its US PRT business, with L&G retaining 80% of existing and new PRT through reinsurance arrangements with Meiji Yasuda.

The announcement of the transaction has had the following impacts on financial reporting:

- In accordance with IFRS 5, 'Non-current Assets Held for Sale and Discontinued Operations' the Group's US insurance entity qualifies for classification and measurement as a held for sale disposal group. This includes the entirety of the US protection and US PRT businesses.
- The disposal group also meets the definition of discontinued operations. As a consequence, the results of the disposal group for the six month period ended 30 June 2025 have been presented in separate lines within the Group Consolidated Income Statement and Consolidated Statement of Comprehensive Income. Comparative information has been re-presented accordingly in line with IFRS 5 requirements.
- The composition of the Group's reportable segments in accordance with IFRS 8, 'Operating Segments', has changed. In preparation for the completion of the disposal, the results related to the Group's US protection business and 20% of those related to the US PRT business are now reported to key decision makers separately. As a consequence, they are no longer included in the results of the Insurance and Institutional Retirement segments, and are now presented separately as "Non-retained US business". Exposure to the remaining 80% of the US PRT business will be retained by way of the new reinsurance arrangement and therefore these results continue to be reported within Institutional Retirement. Segmental information in relation to prior periods has been re-presented where applicable to reflect these changes.
- The calculation of core operating profit and core operating earnings per share (core operating EPS), two of the Group's Alternative Performance Measures (APMs), has been updated. Non-retained US business is no longer considered to be key to achieving the Group's strategy, and therefore, in line with the definition of core operating profit and core operating EPS, its results are now excluded from their calculation. Prior period comparatives have been restated accordingly. As a result of the change, core operating profit for the six month period to 30 June 2024 has decreased by £40m (from £849m to £809m) and for the year ended 31 December 2024 has decreased by £82m (from £1,616m to £1,534m). Core operating EPS for the six month period to 30 June 2024 has decreased by 0.51 pence per share (pps) (from 10.58pps to 10.07pps) and for the year ended 31 December 2024 it has decreased by 1.03pps (from 20.23pps to 19.20pps).

1. Comprising of the disposal of its entire shareholding in Legal & General America Inc., the parent entity of Banner Life and William Penn, which underwrite L&G's US protection and pension risk transfer (PRT) businesses.

IFRS Disclosures on performance

2.02 Operating profit[#]

		6 months 2025	6 months 2024	Full year 2024
	Notes	£m	£m	£m
For the six month period to 30 June 2025				
Institutional Retirement ¹	2.03	618	557	1,097
Asset Management	2.04	202	214	401
Retail	2.03	237	231	430
- Insurance ¹		63	68	114
- Retail Retirement		174	163	316
Group debt costs ²		(112)	(107)	(216)
Group investment projects and expenses		(86)	(86)	(178)
Core operating profit¹		859	809	1,534
Non-retained US business ¹		22	40	82
Corporate Investments		24	71	95
Total operating profit		905	920	1,711
Investment and other variances	2.05	(513)	(601)	(1,383)
Profits/(losses) attributable to non-controlling interests		14	(3)	4
Adjusted profit before tax attributable to equity holders		406	316	332
Tax expense attributable to equity holders	4.06	(76)	(96)	(137)
Profit for the period	3.01	330	220	195
Less: Profit after tax from discontinued operations	4.03	(46)	(42)	(65)
Total tax expense	3.01	192	263	318
Profit before tax	3.01	476	441	448
Profit attributable to equity holders		316	223	191
Earnings per share:				
Core operating (pence per share)^{1,3}	2.07	10.94	10.07	19.20
Basic (pence per share)³	2.07	5.27	3.58	2.89
Diluted (pence per share)³	2.07	5.15	3.55	2.86

1. Comparative amounts for Institutional Retirement and Insurance, which are components of core operating profit and core operating EPS, have been restated. Refer to Note 2.01 for further details.

2. Group debt costs exclude interest on non-recourse financing.

3. These earnings per share calculations are based on profit attributable to equity holders of the Company derived from continuing and discontinued operations.

This supplementary adjusted operating profit information (one of the Group's key performance indicators) provides additional analysis of the results reported under IFRS, and the Group believes that it provides stakeholders with useful information to enhance their understanding of the performance of the business in the period. Core operating profit measures the operating performance of the Group's core business and is therefore calculated as the Group's adjusted operating profit excluding the operating profit of the Corporate Investments unit and Non-retained US business.

Adjusted operating profit measures the pre-tax result excluding the impact of investment volatility, economic assumption changes caused by changes in market conditions or expectations, and exceptional items. Adjusted operating profit for insurance contracts primarily reflects the release of profit from the contractual service margin and risk adjustment in the period (adjusted for reinsurance mismatches), the unwind of the discount rate used in the calculation of the insurance liabilities and incurred expenses that are not directly attributable to the insurance contracts.

To remove investment volatility, adjusted operating profit reflects long-term expected investment returns on the substantial majority of investments held by the Group, including both traded and private market investments. For the remainder of the asset portfolio, including certain operational businesses in Asset Management and, up to its disposal on 31 October 2024, CALA Group (Holdings) Limited (Cala), no adjustments are made to exclude investment volatility. The investment margin for insurance business therefore reflects the expected investment return above the unwind of the insurance liability discount rate.

The long-term expected investment return reflects the best estimate of the long-term return at the start of the year, as follows:

- Expected returns for traded equity, commercial property and residential property (including lifetime mortgages) are based on market consensus forecasts and long-term historic average returns expected to apply through the cycle.
- Assumptions for fixed interest securities measured at fair value through profit or loss (FVTPL) are based on asset yields for the assets held, less an adjustment for credit risk (assessed on a best estimate basis). Where securities are measured at amortised cost or fair value through other comprehensive income (FVOCI), the expected investment return comprises interest income on an effective interest rate basis.
- Equity direct investments incorporate investments in real estate, infrastructure, private credit and venture capital. Where used for the determination of adjusted operating profit, the long-term expected investment return is on average between 10% and 12%. Rates of return specific to each asset are determined at the point of underwriting and reviewed and updated annually. The rate of return for assets belonging to Corporate Investments is determined at a portfolio level and is updated annually if required. The expected investment return includes current financial assumptions as well as sector specific assumptions, including retail and commercial property yields and power prices where appropriate.

[#] All references to 'Operating profit' throughout this report represent 'Adjusted operating profit', an alternative performance measure defined in the alternative performance measures (APM) section.

IFRS Disclosures on performance

2.02 Operating profit* (continued)

The long-term expectations used in determining the expected investment returns for traded equity and property assets are:

	6 months 2025	6 months 2024	Full year 2024
Equity returns	7%	7%	7%
Commercial property growth	5%	5%	5%
Residential property growth	3.5%	3.5%	3.5%

Variances between actual and long-term expected investment returns are excluded from adjusted operating profit, as are economic assumption changes to insurance contract liabilities caused by movements in market conditions or expectations (e.g. credit default and inflation), and any difference between the actual allocated asset mix and the target long-term asset mix on new pension risk transfer business. Assets held for future new pension risk transfer business are excluded from the asset portfolio used to determine the discount rate for annuities on insurance contract liabilities. The impact of investment management actions that optimise the yield of the assets backing the back book of annuity contracts is included within adjusted operating profit.

Exceptional income and expenses which arise outside the normal course of business in the year, such as merger and acquisition and start-up costs, are excluded from adjusted operating profit.

2.03 Analysis of Institutional Retirement and Retail operating profit*

	Institutional Retirement 6 months 2025 £m	Retail 6 months 2025 £m	Institutional Retirement ⁵ 6 months 2024 £m	Retail ⁵ 6 months 2024 £m	Institutional Retirement ⁵ Full year 2024 £m	Retail ⁵ Full year 2024 £m
Amortisation of the CSM in the period ¹	334	182	312	180	643	371
Release of risk adjustment in the period	67	37	64	36	140	77
Experience variances	(7)	8	(19)	16	(10)	(11)
Development of losses on onerous contracts ²	–	(2)	–	(4)	–	(1)
Other expenses ³	(83)	(50)	(81)	(57)	(161)	(99)
Insurance investment margin ⁴	303	85	278	75	479	127
Investment contracts and non-insurance operating profit	4	(23)	3	(15)	6	(34)
Total Institutional Retirement and Retail operating profit	618	237	557	231	1,097	430

- Contractual service margin (CSM) amortisation for Retail has been reduced by £9m (H1 24: £8m; FY 24: £18m) to exclude the impact of reinsurance mismatches.
- Development of losses on onerous contracts has been reduced by £4m (H1 24: £6m; FY 24: £35m) to remove gross contract losses where, net of reinsurance, the contracts remain profitable. These accounting losses will be presented as a reduction to the CSM amortisation in future periods.
- Other expenses are non-attributable expenses on both new and existing business. These are overhead costs which are not allowed for in the CSM or the best estimate liability unit cost assumptions, and instead are reported within the Consolidated Income Statement as part of the profit or loss for the period.
- Insurance investment margin comprises the expected investment return on assets backing insurance contract liabilities, the unwind of the discount rate on insurance contract liabilities and the optimisation of the assets backing the annuity back book.
- Comparative amounts have been restated. Refer to Note 2.01 for further details.

2.04 Asset Management operating profit*

	6 months 2025 £m	6 months 2024 £m	Full year 2024 £m
Management fee revenue (excluding third-party market data) ^{1,2}	492	481	976
Transactional revenue ³	8	11	20
Expenses (excluding third-party market data) ^{1,2}	(377)	(359)	(740)
Operating profit from fee-related earnings	123	133	256
Operating profit from balance sheet investments ⁴	79	81	145
Total Asset Management operating profit	202	214	401

- Asset Management revenue has been presented net of costs of £16m (H1 24: £16m; FY 24: £30m) in relation to the provision of third-party market data.
- Asset Management revenue and expenses reflect the division's investment management activities carried out on behalf of other Group businesses. Consistent with the segmental revenue disclosure in Note 2.08, these activities are presented in the table above on a gross basis. The comparatives for FY 24, which previously showed certain of these activities on a net basis, have been restated accordingly.
- Transactional revenue from external clients includes execution fees, asset transition income, trigger fees, arrangement fees on property transactions and performance fees.
- Earnings from balance sheet investments across real estate, infrastructure, private credit and venture capital.

All references to 'Operating profit' throughout this report represent 'Adjusted operating profit', an alternative performance measure defined in the alternative performance measures (APM) section.

IFRS Disclosures on performance

2.05 Investment and other variances

	6 months 2025 £m	6 months 2024 £m	Full year 2024 £m
Institutional Retirement and Retail			
- Net impact of investment returns less than expectation and change in liability discount rates ¹	(147)	(315)	(692)
- Other ²	(145)	(24)	(48)
Total Institutional Retirement and Retail investment variance	(292)	(339)	(740)
Asset Management investment variance	(102)	(55)	(190)
Other investment variance ^{3,4}	(86)	(207)	(306)
Investment variance	(480)	(601)	(1,236)
M&A related and other variances ⁵	(33)	–	(147)
Total investment and other variances	(513)	(601)	(1,383)

1. Lower than expected returns on surplus assets of £85m contributed to the adverse variance in the period.

2. Other is driven primarily by modelling refinements and an action to reduce the cost of reinsurance, which combined increase CSM and RA by £147m, but result in an adverse accounting mismatch of £139m.

3. Investment variance relating to Non-retained US business is now reported in Other investment variance and comparative amounts have been restated. Refer to Note 2.01 for further details.

4. Other investment variance includes a £110m valuation write down of Salary Finance in H1 24 and FY 24.

5. M&A related and other variances in the second half of 2024 include £99m in respect of the disposal of Cala.

Investment variance includes differences between actual and long-term expected investment return on traded and non-traded assets, the impact of economic assumption changes caused by changes in market conditions or expectations (e.g. credit default and inflation), the impact of any difference between the actual allocated asset mix and the target long-term asset mix on new pension risk transfer business, and the yield associated with assets held for future new pension risk transfer business. Note 2.02 includes details around the determination of the long-term expected investment return in the calculation of adjusted operating profit.

For the Group's long-term insurance businesses, reinsurance mismatches can arise where the reinsurance offset rules in IFRS 17 do not reflect management's view of the net of reinsurance transaction. In particular, during a year of reinsurance renegotiation, reinsurance gains cannot be recognised to offset any inception losses on the underlying contracts where they are recognised before the new reinsurance agreement is signed. In these circumstances, the onerous contract losses are reduced to reflect the net loss (if any) after reinsurance, and future contractual service margin (CSM) amortisation is reduced over the duration of the contracts. Additionally, in some circumstances, profitable reinsurance does not mitigate onerous losses on gross contracts whilst the net position remains profitable. Where this is the case, onerous contract profits or losses are also presented below operating profit and the CSM amortisation is adjusted over the remaining duration of the contracts.

Changes in non-financial assumptions, including longevity, recalibrate the CSM at locked-in, point-of-sale discount rates, whilst the fulfilment cash flows change at the current discount rate. This creates a component of investment variance reflecting the difference between these bases. Investment variance for Institutional Retirement and Retail includes £nil (H1 24: £nil; FY 24: £79m expense) arising from interest rate differences on longevity assumption changes in the period.

M&A related and other variances include gains and losses, expenses and intangible amortisation relating to acquisitions, disposals and restructuring as well as business start-up costs.

IFRS Disclosures on performance

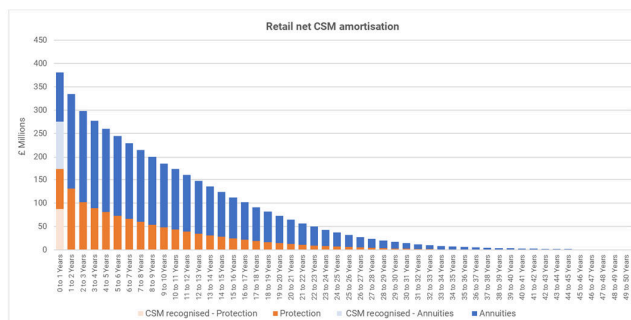
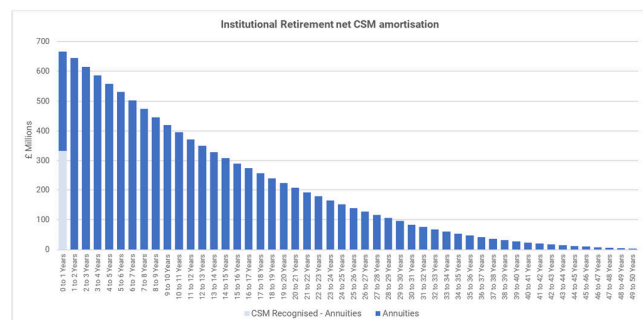
2.06 Institutional Retirement and Retail risk adjustment (RA) and contractual service margin (CSM) analysis

RA and CSM balances for Institutional Retirement include US PRT business to be retained.

	Net of reinsurance RA Institutional Retirement £m	Net of reinsurance RA Retail £m	Net of reinsurance CSM Institutional Retirement £m	Net of reinsurance CSM Retail £m
As at 1 January 2025	686	293	8,545	3,642
Changes in estimates which adjust the CSM	(36)	1	97	9
Changes in estimates that result in losses or reversal of losses on underlying onerous contracts	–	–	–	1
Contracts initially recognised in the period	44	20	106	81
Finance expenses from insurance contracts	38	17	132	55
Effect of movements in exchange rates	(7)	–	(37)	–
CSM recognised for services provided/received	–	–	(334)	(191)
Release of risk adjustment	(67)	(37)	–	–
As at 30 June 2025	658	294	8,509	3,597

	Net of reinsurance RA Institutional Retirement £m	Net of reinsurance RA Retail £m	Net of reinsurance CSM Institutional Retirement £m	Net of reinsurance CSM Retail £m
As at 1 January 2024	790	332	8,282	3,742
Changes in estimates which adjust the CSM	(24)	2	19	(29)
Contracts initially recognised in the period	(50)	23	131	94
Finance (income)/expenses from insurance contracts	(22)	(11)	132	51
CSM recognised for services provided/received	–	–	(312)	(188)
Release of risk adjustment	(64)	(36)	–	–
As at 30 June 2024	630	310	8,252	3,670

	Net of reinsurance RA Institutional Retirement £m	Net of reinsurance RA Retail £m	Net of reinsurance CSM Institutional Retirement £m	Net of reinsurance CSM Retail £m
As at 1 January 2024	790	332	8,282	3,742
Changes in estimates which adjust the CSM	(50)	(11)	158	25
Contracts initially recognised in the year	88	41	474	160
Finance (income)/expenses from insurance contracts	(2)	8	272	104
Effect of movements in exchange rates	–	–	2	–
CSM recognised for services provided/received	–	–	(643)	(389)
Release of risk adjustment	(140)	(77)	–	–
As at 31 December 2024	686	293	8,545	3,642



The amounts presented reflect the net CSM amortisation expected to be recognised in operating profit in future periods from the business in-force at the end of the period, excluding the adjustment for reinsurance mismatches relating to protection business (described in Note 2.03). Actual CSM amortisation in future periods will differ from that presented due to the impacts of future new business, recalibrations of the CSM and changes in the future coverage units. The total amount presented exceeds the carrying value of the CSM as it incorporates the future accretion of interest. The periods start from 1 January 2025 and so the first year comprises 6 months of actual CSM recognised and 6 months of CSM to be recognised.

IFRS Disclosures on performance

2.07 Earnings per share

(i) Basic and core operating earnings per share

	Total 6 months 2025 £m	Per share ¹ 6 months 2025 p	Total 6 months 2024 £m	Per share ^{1,2} 6 months 2024 p	Total Full year 2024 £m	Per share ^{1,2} Full year 2024 p
Profit for the period attributable to equity holders	316	5.46	223	3.77	191	3.24
Less: coupon payable in respect of restricted Tier 1 convertible notes after tax relief	(11)	(0.19)	(11)	(0.19)	(21)	(0.35)
Total basic earnings	305	5.27	212	3.58	170	2.89
Less: earnings derived from discontinued operations after tax	(46)	(0.79)	(42)	(0.71)	(65)	(1.11)
Total basic earnings derived from continuing operations	259	4.48	170	2.87	105	1.78
Less: Corporate Investments operating profit after allocated tax	(18)	(0.31)	(53)	(0.89)	(71)	(1.20)
Less: Non-retained US business operating profit after allocated tax	(17)	(0.30)	(30)	(0.51)	(62)	(1.06)
Less: Investment variance after allocated tax	409	7.07	509	8.60	1,158	19.68
Total basic core operating earnings³	633	10.94	596	10.07	1,130	19.20

1. Basic earnings per share is calculated by dividing profit after tax by the weighted average number of ordinary shares in issue during the period, excluding employee scheme treasury shares.

2. Comparative amounts have been restated (refer to Note 2.01 for further details).

3. Total basic core operating earnings includes allocated tax at the standard UK corporate tax rate.

(ii) Diluted and core operating earnings per share

	After tax £m	Weighted average number of shares m	Per share ¹ p
For the six month period to 30 June 2025			
Profit for the period attributable to equity holders	316	5,786	5.46
Net shares under options allocable for no further consideration	–	47	(0.04)
Conversion of restricted Tier 1 notes	–	307	(0.27)
Total diluted earnings	316	6,140	5.15
Less: diluted earnings derived from discontinued operations after tax	(46)	–	(0.75)
Total diluted earnings derived from continuing operations	270	6,140	4.40
Less: Corporate Investments operating profit after allocated tax	(18)	–	(0.30)
Less: Non-retained US business operating profit after allocated tax	(17)	–	(0.27)
Less: Investment variance after allocated tax	409	–	6.66
Total diluted core operating earnings⁴	644	6,140	10.49

	After tax £m	Weighted average number of shares m	Per share ^{1,2} p
For the six month period to 30 June 2024			
Profit for the period attributable to equity holders	223	5,918	3.77
Less: coupon payable in respect of restricted Tier 1 convertible notes net of tax relief	(11)	–	(0.19)
Net shares under options allocable for no further consideration	–	57	(0.03)
Total diluted earnings	212	5,975	3.55
Less: diluted earnings derived from discontinued operations after tax	(42)	–	(0.70)
Total diluted earnings derived from continuing operations	170	5,975	2.85
Less: Corporate Investments operating profit after allocated tax	(53)	–	(0.89)
Less: Non-retained US business operating profit after allocated tax	(30)	–	(0.50)
Less: Investment variance after allocated tax	509	–	8.51
Conversion of restricted Tier 1 notes ³	11	307	(0.31)
Total diluted core operating earnings⁴	607	6,282	9.66

	After tax £m	Weighted average number of shares m	Per share ^{1,2} p
For the year ended 31 December 2024			
Profit for the period attributable to equity holders	191	5,886	3.24
Less: coupon payable in respect of restricted Tier 1 convertible notes net of tax relief	(21)	–	(0.35)
Net shares under options allocable for no further consideration	–	62	(0.03)
Total diluted earnings	170	5,948	2.86
Less: diluted earnings derived from discontinued operations after tax	(65)	–	(1.09)
Total diluted earnings derived from continuing operations	105	5,948	1.77
Less: Corporate Investments operating profit after allocated tax	(71)	–	(1.20)
Less: Non-retained US business operating profit after allocated tax	(62)	–	(1.04)
Less: Investment variance after allocated tax	1,158	–	19.47
Conversion of restricted Tier 1 notes ³	21	307	(0.60)
Total diluted core operating earnings⁴	1,151	6,255	18.40

1. For diluted earnings per share, the weighted average number of ordinary shares in issue, excluding employee scheme treasury shares, is adjusted to assume conversion of all potential ordinary shares, such as share options granted to employees and conversion of restricted Tier 1 notes.

2. Comparative amounts have been restated (refer to Note 2.01 for further details).

3. The conversion of restricted Tier 1 notes in 2024 was antidilutive for the calculation of diluted earnings per share and dilutive for the calculation of diluted core operating earnings per share.

Where antidilutive, the conversion has not been considered for the determination of the relevant amount per share. The instrument could potentially dilute basic earnings per share in the future.

4. Total diluted core operating earnings includes allocated tax at the standard UK corporate tax rate.

IFRS Disclosures on performance

2.08 Segmental analysis

The Group has five reportable segments, comprising Institutional Retirement, Asset Management, Insurance, Retail Retirement and Corporate Investments. As explained in Note 2.01, as a result of the planned sale of the Group's US insurance entity, the composition of the Group's reportable segments has changed. After completion, the Group will no longer be exposed to its US protection business and to 20% of its US PRT business. Their contribution to the Group is therefore excluded from the results of the Insurance and Institutional Retirement segments respectively, and reported separately as Non-retained US business. Prior periods comparatives have been restated accordingly.

Group expenses, debt costs and assets held centrally are reported separately. Transactions between segments are on normal commercial terms and are included within the reported segments.

In the UK, annuity liabilities relating to Institutional Retirement and Retail Retirement are backed by a single portfolio of assets, and once a transaction has been completed the assets relating to any particular transaction are not tracked to the related liabilities. Investment variance is allocated to the two business segments based on the relative size of the underlying insurance contract liabilities.

Reporting of assets and liabilities by reportable segment has not been included, as this is not information that is provided to key decision makers on a regular basis. The Group's asset and liabilities are managed on a legal entity rather than a segment basis, in line with regulatory requirements.

Financial information on the reportable segments is further broken down where relevant to better explain the drivers of the Group's results.

(i) Profit/(loss) for the period

	Institutional Retirement £m	Asset Management £m	Insurance £m	Retail Retirement £m	Group expenses and debt costs £m	Total Core £m	Corporate Investments £m	Non-retained US business £m	Total £m
For the six month period to 30 June 2025									
Operating profit/(loss)#	618	202	63	174	(198)	859	24	22	905
Investment and other variances	(218)	(124)	(14)	(60)	(39)	(455)	(58)	–	(513)
Profits attributable to non-controlling interests	–	–	–	–	14	14	–	–	14
Profit/(loss) before tax attributable to equity holders	400	78	49	114	(223)	418	(34)	22	406
Tax (expense)/credit attributable to equity holders	(86)	(15)	(9)	(25)	64	(71)	–	(5)	(76)
Profit/(loss) for the period	314	63	40	89	(159)	347	(34)	17	330
Attributable to:									
Continuing operations									284
Discontinued operations ¹									46
For the six month period to 30 June 2024									
Operating profit/(loss)#	557	214	68	163	(193)	809	71	40	920
Investment and other variances	(266)	(55)	2	(73)	(10)	(402)	(187)	(12)	(601)
Losses attributable to non-controlling interests	–	–	–	–	(3)	(3)	–	–	(3)
Profit/(loss) before tax attributable to equity holders	291	159	70	90	(206)	404	(116)	28	316
Tax (expense)/credit attributable to equity holders	(61)	(41)	(15)	(19)	50	(86)	(5)	(5)	(96)
Profit/(loss) for the period	230	118	55	71	(156)	318	(121)	23	220
Attributable to:									
Continuing operations									178
Discontinued operations ¹									42
For the year ended 31 December 2024									
Operating profit/(loss)#	1,097	401	114	316	(394)	1,534	95	82	1,711
Investment and other variances	(553)	(190)	(30)	(157)	(41)	(971)	(388)	(24)	(1,383)
Profits attributable to non-controlling interests	–	–	–	–	4	4	–	–	4
Profit/(loss) before tax attributable to equity holders	544	211	84	159	(431)	567	(293)	58	332
Tax (expense)/credit attributable to equity holders	(131)	(46)	(30)	(37)	118	(126)	–	(11)	(137)
Profit/(loss) for the year	413	165	54	122	(313)	441	(293)	47	195
Attributable to:									
Continuing operations									130
Discontinued operations ¹									65

1. Discontinued operations include the total amount of the Group's US protection and US pension risk transfer businesses. Refer to Note 2.01 for further details.

All references to 'Operating profit' throughout this report represent 'Adjusted operating profit', an alternative performance measure defined in the alternative performance measures (APM) section.

IFRS Disclosures on performance

2.08 Segmental analysis (continued)

(ii) Total revenue - summary

Total revenue includes insurance revenue, fees from fund management and investment contracts and other operational income from contracts with customers. Further details on the components of insurance revenue are disclosed in Note 4.14. Other operational income from contracts with customers is a component of other operational income and excludes the share of profit/loss from associates and joint ventures, as well as gains/losses on disposal of subsidiaries, associates, joint ventures and other operations. Information on revenue is provided for continuing operations only and therefore excludes any revenue related to the Group's US insurance entity, as described in Note 2.01. Prior year comparatives have been adjusted accordingly.

The tables below split the revenue by the geographic location of the client.

	United Kingdom £m	USA £m	Rest of World £m	Total £m
For the six month period to 30 June 2025				
Insurance revenue	4,438	–	83	4,521
Fees from fund management and investment contracts	354	39	43	436
Other operational income from contracts with customers	127	1	–	128
Total revenue	4,919	40	126	5,085

	United Kingdom £m	USA £m	Rest of World £m	Total £m
For the six month period to 30 June 2024				
Insurance revenue	4,111	–	54	4,165
Fees from fund management and investment contracts	342	45	41	428
Other operational income from contracts with customers	644	1	–	645
Total revenue	5,097	46	95	5,238

	United Kingdom £m	USA £m	Rest of World £m	Total £m
For the year ended 31 December 2024				
Insurance revenue	8,419	–	123	8,542
Fees from fund management and investment contracts	702	83	79	864
Other operational income from contracts with customers	1,249	2	–	1,251
Total revenue	10,370	85	202	10,657

(iii) Total revenue – internal/external analysis

	Institutional Retirement £m	Asset Management ¹ £m	Insurance £m	Retail Retirement £m	Corporate Investments and other ² £m	Total £m
For the six month period to 30 June 2025						
Internal revenue ³	–	113	–	–	(113)	–
External revenue	2,780	392	1,025	857	31	5,085
Total revenue	2,780	505	1,025	857	(82)	5,085

	Institutional Retirement £m	Asset Management ¹ £m	Insurance £m	Retail Retirement £m	Corporate Investments and other ² £m	Total £m
For the six month period to 30 June 2024						
Internal revenue ³	–	105	–	–	(105)	–
External revenue	2,540	402	972	781	543	5,238
Total revenue	2,540	507	972	781	438	5,238

	Institutional Retirement £m	Asset Management ¹ £m	Insurance £m	Retail Retirement £m	Corporate Investments and other ² £m	Total £m
For the year ended 31 December 2024						
Internal revenue ³	–	215	–	–	(215)	–
External revenue	5,235	849	1,984	1,584	1,005	10,657
Total revenue	5,235	1,064	1,984	1,584	790	10,657

1. Asset Management internal revenue relates to investment management services provided to other segments.

2. Other includes inter-segmental eliminations and Group consolidation adjustments.

3. Asset Management revenue includes the investment management activities that the division undertakes on behalf of other Group businesses. The revenue for the most significant portion of these activities is included in the above table on a gross basis. Any additional services provided by Asset Management to other divisions are eliminated in the segmental disclosures and presented on a gross basis. The comparatives for FY 24, which previously showed certain of these activities on a net basis, have been restated accordingly.

IFRS Disclosures on performance

2.08 Segmental analysis (continued)

(iv) Fees from fund management and investment contracts

Fees from fund management and investment contracts include fees for administration and managing of funds in pension plans, as well as revenue generated from acting as the investment manager for clients. Transaction fees are charged to implement trades for clients.

	Asset Management £m	Retail Retirement £m	Corporate Investments and other ¹ £m	Total £m
For the six month period to 30 June 2025				
Investment contracts and management fees ²	467	66	(108)	425
Transaction fees	11	–	–	11
Total fees from fund management and investment contracts	478	66	(108)	436

	Asset Management £m	Retail Retirement £m	Corporate Investments and other ¹ £m	Total £m
For the six month period to 30 June 2024				
Investment contracts and management fees ²	463	59	(104)	418
Transaction fees	10	–	–	10
Total fees from fund management and investment contracts	473	59	(104)	428

	Asset Management £m	Retail Retirement £m	Corporate Investments and other ¹ £m	Total £m
For the year ended 31 December 2024				
Investment contracts and management fees ²	930	122	(207)	845
Transaction fees	19	–	–	19
Total fees from fund management and investment contracts	949	122	(207)	864

1. Other includes inter-segmental eliminations and Group consolidation adjustments.

2. Asset Management revenue includes the investment management activities that the division undertakes on behalf of other Group businesses. The revenue for the most significant portion of these activities is included in the above table on a gross basis. Any additional services provided by Asset Management to other divisions are eliminated in the segmental disclosures and presented on a gross basis. The comparatives for FY 24, which previously showed certain of these activities on a net basis, have been restated accordingly.

(v) Other operational income from contracts with customers

Other operational income from contracts with customers includes house building revenue, revenue arising from professional services and insurance broker fees.

	Institutional Retirement £m	Asset Management £m	Insurance £m	Retail Retirement £m	Corporate Investments and other ¹ £m	Total £m
For the six month period to 30 June 2025						
House building	3	20	–	–	23	46
Professional services fees	–	7	31	3	3	44
Insurance broker	–	–	38	–	–	38
Total other operational income from contracts with customers²	3	27	69	3	26	128

	Institutional Retirement £m	Asset Management £m	Insurance £m	Retail Retirement £m	Corporate Investments and other ¹ £m	Total £m
For the six month period to 30 June 2024						
House building	6	34	–	2	532	574
Professional services fees	–	–	25	3	10	38
Insurance broker	–	–	33	–	–	33
Total other operational income from contracts with customers²	6	34	58	5	542	645

	Institutional Retirement £m	Asset Management £m	Insurance £m	Retail Retirement £m	Corporate Investments and other ¹ £m	Total £m
For the year ended 31 December 2024						
House building	14	100	–	–	984	1,098
Professional services fees	–	14	51	6	13	84
Insurance broker	–	–	68	–	–	68
Total other operational income from contracts with customers²	14	114	119	6	997	1,250

1. Other includes inter-segmental eliminations and Group consolidation adjustments.

2. Total other operational income from contracts with customers excludes the share of profit/loss from associates and joint ventures, and the gain on disposal of subsidiaries, associates and joint ventures.

IFRS Primary Financial Statements

3.01 Consolidated Income Statement (unaudited)

		6 months 2025 £m	6 months ¹ 2024 £m	Full year ¹ 2024 £m
For the six month period to 30 June 2025	Notes			
Insurance revenue	4.14	4,521	4,165	8,542
Insurance service expenses	4.14	(3,802)	(3,533)	(7,235)
Insurance service result before reinsurance contracts held		719	632	1,307
Net expense from reinsurance contracts held	4.14	(135)	(103)	(150)
Insurance service result	4.14	584	529	1,157
Investment return ²		11,100	12,900	21,413
Finance (expense)/income from insurance contracts		(1,221)	1,296	1,309
Finance income/(expense) from reinsurance contracts		10	(147)	(60)
Change in investment contract liabilities		(9,417)	(13,692)	(22,192)
Insurance and investment result		1,056	886	1,627
Other operational income		98	616	1,204
Fees from fund management and investment contracts	2.08	436	428	864
Acquisition costs		(92)	(87)	(175)
Other finance costs		(133)	(140)	(273)
Other expenses		(889)	(1,262)	(2,799)
Total other income and expenses		(580)	(445)	(1,179)
Profit before tax		476	441	448
Tax expense attributable to policyholder returns		(108)	(174)	(210)
Profit before tax attributable to equity holders		368	267	238
Total tax expense		(192)	(263)	(318)
Tax expense attributable to policyholder returns		108	174	210
Tax expense attributable to equity holders	4.06	(84)	(89)	(108)
Profit after tax from continuing operations		284	178	130
Profit after tax from discontinued operations	4.03	46	42	65
Profit for the period		330	220	195
Attributable to:				
Non-controlling interests		14	(3)	4
Equity holders		316	223	191
Dividend distributions to equity holders during the period	4.04	898	874	1,230
Dividend distributions to equity holders proposed after the period end	4.04	351	357	902
		p	p	p
Total basic earnings per share³	2.07	5.27	3.58	2.89
Total diluted earnings per share³	2.07	5.15	3.55	2.86
Total basic earnings per share derived from continuing operations³	2.07	4.48	2.87	1.78
Total diluted earnings per share derived from continuing operations³	2.07	4.40	2.85	1.77

1. Comparative information has been re-presented to reflect the results of the US protection and US pension risk transfer (PRT) businesses as discontinued operations. See Note 2.01 for further information.

2. Investment return includes £190m (H1 24: £169m; FY 24: £351m) of interest income calculated using the effective interest method.

3. All earnings per share calculations are based on profit attributable to equity holders of the Company.

IFRS Primary Financial Statements

3.02 Consolidated Statement of Comprehensive Income (unaudited)

	6 months 2025 £m	6 months ¹ 2024 £m	Full year ¹ 2024 £m
For the six month period to 30 June 2025			
Profit for the period	330	220	195
Total items that will not be reclassified subsequently to profit or loss	–	–	–
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of overseas operations	(46)	3	(8)
Movement in cross-currency hedge	61	3	3
Tax on movement in cross-currency hedge	2	(1)	(1)
Movement in financial investments measured at FVOCI	(69)	(107)	(246)
Tax on movement in financial investments measured at FVOCI	17	27	61
Insurance finance income for insurance contracts issued applying the OCI option	61	207	311
Reinsurance finance expense for reinsurance contracts held applying the OCI option	(45)	(147)	(195)
Tax on movement in net finance income for insurance and reinsurance contracts	(4)	(19)	(31)
Total items that may be reclassified subsequently to profit or loss	(23)	(34)	(106)
Other comprehensive expense after tax from continuing operations	(23)	(34)	(106)
Other comprehensive (expense)/income after tax from discontinued operations	(13)	39	83
Total comprehensive income for the period	294	225	172
Total comprehensive income/(expense) for the period attributable to:			
Non-controlling interests	14	(3)	4
Equity holders	280	228	168

1. Comparative information has been re-presented to reflect the results of the US protection and US pension risk transfer (PRT) businesses as discontinued operations. See Note 2.01 for further information.

IFRS Primary Financial Statements

3.03 Consolidated Balance Sheet (unaudited)

	Notes	As at 30 Jun 2025 £m	As at 30 Jun 2024 £m	As at 31 Dec 2024 £m
Assets				
Goodwill		30	73	30
Intangible assets		360	466	450
Investment in associates and joint ventures accounted for using the equity method		847	641	872
Property, plant and equipment		346	427	395
Investment property	4.05	10,148	9,264	9,822
Financial investments	4.05	501,215	476,280	495,551
Reinsurance contract assets	4.14	8,153	8,184	9,165
Deferred tax assets	4.06	1,585	1,720	1,741
Current tax assets		897	822	857
Receivables and other assets		9,869	12,836	8,627
Cash and cash equivalents		12,355	15,806	16,657
Assets of operations classified as held for sale	4.03	11,220	–	–
Total assets		557,025	526,519	544,167
Equity				
Share capital	4.07	144	149	147
Share premium	4.07	1,047	1,034	1,036
Employee scheme treasury shares		(165)	(142)	(163)
Capital redemption and other reserves		269	325	319
Retained earnings		621	2,097	1,714
Attributable to owners of the parent		1,916	3,463	3,053
Restricted Tier 1 convertible notes	4.08	495	495	495
Non-controlling interests		16	(44)	(37)
Total equity		2,427	3,914	3,511
Liabilities				
Insurance contract liabilities	4.14	87,155	89,500	95,648
Reinsurance contract liabilities	4.14	7	142	170
Investment contract liabilities		331,700	323,140	323,957
Core borrowings	4.09	4,303	4,288	4,308
Operational borrowings	4.10	515	1,854	3,391
Provisions	4.16	188	232	152
Deferred tax liabilities	4.06	–	176	197
Current tax liabilities		137	110	118
Payables and other financial liabilities	4.12	92,807	80,464	87,362
Other liabilities		697	587	950
Net asset value attributable to unit holders		26,247	22,112	24,403
Liabilities of operations classified as held for sale	4.03	10,842	–	–
Total liabilities		554,598	522,605	540,656
Total equity and liabilities		557,025	526,519	544,167

IFRS Primary Financial Statements

3.04 Consolidated Statement of Changes in Equity (unaudited)

	Share capital £m	Share premium £m	Employee scheme treasury shares £m	Capital redemption and other reserves ¹ £m	Retained earnings £m	Equity attributable to owners of the parent £m	Restricted Tier 1 convertible notes £m	Non-controlling interests £m	Total equity £m
For the six month period to 30 June 2025									
As at 1 January 2025	147	1,036	(163)	319	1,714	3,053	495	(37)	3,511
Profit for the period	–	–	–	–	316	316	–	14	330
Exchange differences on translation of overseas operations	–	–	–	(72)	–	(72)	–	–	(72)
Net movement in cross-currency hedge	–	–	–	63	–	63	–	–	63
Net actuarial remeasurements on defined benefit pension schemes	–	–	–	–	–	–	–	–	–
Net movement in financial investments measured at FVOCI	–	–	–	(47)	–	(47)	–	–	(47)
Net insurance finance income	–	–	–	20	–	20	–	–	20
Total comprehensive (expense)/income for the period	–	–	–	(36)	316	280	–	14	294
Options exercised under share option schemes	–	11	–	–	–	11	–	–	11
Shares purchased and vested under share schemes	–	–	(2)	(17)	3	(16)	–	–	(16)
Share buyback ²	(3)	–	–	3	(503)	(503)	–	–	(503)
Dividends	–	–	–	–	(898)	(898)	–	–	(898)
Coupon payable in respect of restricted Tier 1 convertible notes after tax relief	–	–	–	–	(11)	(11)	–	–	(11)
Movement in third-party interests	–	–	–	–	–	–	–	39	39
As at 30 June 2025	144	1,047	(165)	269	621	1,916	495	16	2,427

- Capital redemption and other reserves as at 30 June 2025 include share-based payments £93m, foreign exchange £(36)m, capital redemption £23m, hedging £111m, insurance and reinsurance finance for contracts applying the OCI option £356m and financial assets at FVOCI £(278)m.
- On 13 March 2025, Legal & General Group Plc entered into an agreement to acquire £503m (including stamp duty) of ordinary shares for cancellation. As at 30 June 2025, £324m of shares had been acquired under the programme (see Note 4.07 for further information).

	Share capital £m	Share premium £m	Employee scheme treasury shares £m	Capital redemption and other reserves ¹ £m	Retained earnings £m	Equity attributable to owners of the parent £m	Restricted Tier 1 convertible notes £m	Non-controlling interests £m	Total equity £m
For the six month period to 30 June 2024									
As at 1 January 2024	149	1,030	(147)	326	2,973	4,331	495	(42)	4,784
Profit/(loss) for the period	–	–	–	–	223	223	–	(3)	220
Exchange differences on translation of overseas operations	–	–	–	(5)	–	(5)	–	–	(5)
Net movement in cross-currency hedge	–	–	–	2	–	2	–	–	2
Net actuarial remeasurements on defined benefit pension schemes	–	–	–	–	–	–	–	–	–
Net movement in financial investments measured at FVOCI	–	–	–	(89)	–	(89)	–	–	(89)
Net insurance finance income	–	–	–	97	–	97	–	–	97
Total comprehensive income/(expense) for the period	–	–	–	5	223	228	–	(3)	225
Options exercised under share option schemes	–	4	–	–	–	4	–	–	4
Shares purchased and vested under share schemes	–	–	5	(6)	(13)	(14)	–	–	(14)
Share buyback ²	–	–	–	–	(201)	(201)	–	–	(201)
Dividends	–	–	–	–	(874)	(874)	–	–	(874)
Coupon payable in respect of restricted Tier 1 convertible notes after tax relief	–	–	–	–	(11)	(11)	–	–	(11)
Movement in third-party interests	–	–	–	–	–	–	–	1	1
As at 30 June 2024	149	1,034	(142)	325	2,097	3,463	495	(44)	3,914

- Capital redemption and other reserves as at 30 June 2024 include share-based payments £83m, foreign exchange £36m, capital redemption £17m, hedging £48m, insurance and reinsurance finance for contracts applying the OCI option £273m and financial assets at FVOCI £(132)m.
- On 13 June 2024, Legal & General Group Plc entered into an irrevocable agreement to acquire £201m (including stamp duty) of ordinary shares for cancellation. As at 30 June 2024, £21m of shares had been acquired under the programme (see Note 4.07 for further information).

IFRS Primary Financial Statements

3.04 Consolidated Statement of Changes in Equity (unaudited) (continued)

	Share capital £m	Share premium £m	Employee scheme treasury shares £m	Capital redemption and other reserves ¹ £m	Retained earnings £m	Equity attributable to owners of the parent £m	Restricted Tier 1 convertible notes £m	Non-controlling interests £m	Total equity £m
For the year ended 31 December 2024									
As at 1 January 2024	149	1,030	(147)	326	2,973	4,331	495	(42)	4,784
Profit for the year	–	–	–	–	191	191	–	4	195
Exchange differences on translation of overseas operations	–	–	–	(10)	–	(10)	–	–	(10)
Net movement in cross-currency hedge	–	–	–	2	–	2	–	–	2
Net actuarial remeasurements on defined benefit pension schemes	–	–	–	–	7	7	–	–	7
Net movement in financial investments measured at FVOCI	–	–	–	(195)	–	(195)	–	–	(195)
Net insurance finance income	–	–	–	173	–	173	–	–	173
Total comprehensive (expense)/income for the year	–	–	–	(30)	198	168	–	4	172
Options exercised under share option schemes	–	6	–	–	–	6	–	–	6
Shares purchased and vested under share schemes	–	–	(16)	21	(5)	–	–	–	–
Share buyback ²	(2)	–	–	2	(201)	(201)	–	–	(201)
Dividends	–	–	–	–	(1,230)	(1,230)	–	–	(1,230)
Coupon payable in respect of restricted Tier 1 convertible notes after tax relief	–	–	–	–	(21)	(21)	–	–	(21)
Movement in third-party interests	–	–	–	–	–	–	–	1	1
As at 31 December 2024	147	1,036	(163)	319	1,714	3,053	495	(37)	3,511

- Capital redemption and other reserves as at 31 December 2024 include share-based payments £110m, foreign exchange £30m, capital redemption £19m, hedging £48m, insurance and reinsurance finance for contracts applying the OCI option £352m and financial assets at FVOCI £(240)m.
- On 13 June 2024, Legal & General Group Plc entered into an irrevocable agreement to acquire £201m (including stamp duty) of ordinary shares for cancellation. The programme completed on 8 November 2024, with a total number of shares acquired and cancelled of 88,835,417.

IFRS Primary Financial Statements

3.05 Consolidated Statement of Cash Flows (unaudited)

		6 months 2025 £m	6 months 2024 £m	Full year 2024 £m
For the six month period to 30 June 2025				
	Notes			
Cash flows from operating activities				
Profit for the period		330	220	195
Adjustments for non-cash movements in net profit for the period				
Net gains on financial investments		(4,958)	(6,433)	(8,496)
Net (gains)/losses on investment property		(12)	96	(42)
Investment income		(6,508)	(6,645)	(13,206)
Interest expense		186	188	372
Tax expense		184	270	347
Other adjustments		121	51	138
Net (increase)/decrease in operational assets				
Investments mandatorily measured at FVTPL		(9,779)	6,372	(900)
Investments measured at FVOCI		(282)	(115)	(102)
Investments measured at amortised cost		(511)	(270)	(1,032)
Other assets		(1,509)	(2,939)	(248)
Net (decrease)/increase in operational liabilities				
Insurance contracts and reinsurance contracts held		1,453	(2,813)	2,372
Investment contracts		7,861	6,267	7,083
Other liabilities		7,229	(3,366)	(3,001)
Cash utilised in operations				
Interest paid		(194)	(198)	(365)
Interest received ¹		3,183	2,709	6,954
Rent received		267	229	446
Tax paid ²		(152)	(114)	(190)
Dividends received		2,380	2,823	5,229
Net cash flows from operations				
		(711)	(3,668)	(4,446)
Cash flows from investing activities				
Acquisition of property, plant and equipment, intangibles and other assets		(32)	(29)	(95)
Disposal of subsidiaries and other operations, net of cash transferred		–	–	455
Investment in joint ventures and associates		(17)	(66)	(121)
Net cash flows utilised in investing activities				
		(49)	(95)	239
Cash flows from financing activities				
Dividend distributions to ordinary equity holders during the period	4.04	(898)	(874)	(1,230)
Coupon payment in respect of restricted Tier 1 convertible notes, gross of tax	4.08	(14)	(14)	(28)
Options exercised under share option schemes	4.07	11	4	6
Treasury shares purchased for employee share schemes		(19)	(7)	(33)
Purchase of shares under share buyback programme	4.07	(324)	(21)	(201)
Payment of lease liabilities		(17)	(22)	(35)
Proceeds from borrowings	4.11	749	476	2,325
Repayment of borrowings	4.11	(2,120)	(489)	(473)
Net cash flows utilised in financing activities				
		(2,632)	(947)	331
Net decrease in cash and cash equivalents				
		(3,392)	(4,710)	(3,876)
Exchange (losses)/gains on cash and cash equivalents		(101)	3	20
Cash and cash equivalents at 1 January		16,657	20,513	20,513
Total cash and cash equivalents				
		13,164	15,806	16,657
Less: cash and cash equivalents of operations classified as held for sale	4.03	(809)	–	–
Cash and cash equivalents at 30 June/31 December				
		12,355	15,806	16,657

1. Interest received comprises of net interest received from financial instruments at fair value through profit or loss and other financial instruments.

2. Tax paid comprises withholding tax of £138m (H1 24: £151m; FY 24: £221m), UK corporation tax paid of £11m (H1 24: tax refund of £37m; FY 24: tax refund of £31m) and overseas tax of £3m (H1 24: £nil; FY 24: £nil).

IFRS Disclosure Notes

4.01 Basis of preparation

The Group financial information for the six months ended 30 June 2025 has been prepared in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority and with IAS 34, 'Interim Financial Reporting'. The Group's financial information, a condensed set of financial statements which comprises the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and the related explanatory notes, has also been prepared in line with the accounting policies which the Group expects to adopt for the year ending 31 December 2025. These policies are consistent with the principal accounting policies which were set out in the Group's 2024 consolidated financial statements, except where policy changes have been outlined below in "New standards, interpretations and amendments to published standards that have been adopted by the Group". Accounting policies are in line with UK-adopted international accounting standards, as issued by the International Accounting Standards Board and adopted by the UK Endorsement Board for use in the United Kingdom.

The preparation of the Interim Management Report includes the use of estimates and assumptions which affect items reported in the Consolidated Balance Sheet and Consolidated Income Statement and the disclosure of contingent assets and liabilities at the date of the financial statements. The economic and non-economic actuarial assumptions used to establish the liabilities in relation to insurance represent an area of critical accounting judgement on policy application. For half year financial reporting, economic assumptions have been updated to reflect market conditions. Non-economic assumptions are consistent with those used in the 31 December 2024 financial statements.

The results for the half year ended 30 June 2025 are unaudited but have been reviewed by KPMG LLP. The interim results do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The results for the full year 2024 have been taken from the Group's 2024 Annual Report and Accounts. Therefore, these interim accounts should be read in conjunction with the 2024 Annual Report and Accounts, prepared in accordance with UK-adopted international accounting standards, which comprise International Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board, and related interpretations issued by the IFRS Interpretations Committee, and with the requirements of the Companies Act 2006 applicable to companies reporting under IFRS. Those accounts have been reported on by the Group's auditor and delivered to the Registrar of Companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

Key technical terms and definitions

The Interim Management Report refers to various key performance indicators, accounting standards and other technical terms. A comprehensive list of these definitions is contained within the glossary of these interim financial statements.

Alternative performance measures

The Group uses a number of alternative performance measures (APMs), including adjusted operating profit, in the discussion of its business performance and financial position, as the Group believes that they, complemented with figures determined according to other regulations, enhance understanding of the Group's performance. Definitions and further information in relation to the Group's APMs can be found in the Alternative Performance Measures section of these interim financial statements.

Tax attributable to policyholders and equity holders

The total tax expense shown in the Group's Consolidated Income Statement includes income tax borne by both policyholders and equity holders. This has been split between tax attributable to policyholders' returns and equity holders' profits. Policyholder tax comprises the tax suffered on policyholder investment returns, while equity holder tax is corporation tax charged on equity holder profit. The separate presentation is intended to provide more relevant information about the tax that the Group pays on the profits that it makes.

Climate change

At the current time, the Group does not consider climate risk to represent a significant area of judgement or of estimation uncertainty. As at 30 June 2025, no material impacts on the Group's financial position, nor on the valuation of assets or liabilities on the Group's Consolidated Balance Sheet as a result of climate change risk have been identified. Further detail on how the Group arrives at this determination is disclosed in the basis of preparation of the Group's 2024 consolidated financial statements.

(i) Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position in the current economic environment are set out in this Interim Management Report. The financial position of the Group, its cash flows, liquidity position and borrowing facilities as at 30 June 2025 are described in the IFRS Primary Financial Statements and IFRS Disclosure Notes. Principal risks and uncertainties are detailed on pages 18 to 27.

The directors have made an assessment of the Group's going concern, considering both the current performance and the outlook for a period of at least, but not limited to, 12 months from the date of approval of the interim financial information, using the information available up to the date of issue of this Interim Management Report.

The Group manages and monitors its capital and liquidity, and applies various stresses, including adverse inflation and interest rate scenarios, to those positions to understand potential impacts from market downturns. Our key sensitivities and the impacts on our capital position from a range of stresses are disclosed in Note 6.01. These stresses do not give rise to any material uncertainties over the ability of the Group to continue as a going concern. Based upon the available information, the directors consider that the Group has the plans and resources to manage its business risks successfully and that it remains financially strong and well diversified.

IFRS Disclosure Notes

4.01 Basis of preparation (continued)

(i) Going concern (continued)

Having reassessed the principal risks and uncertainties (both financial and operational) in light of the current economic environment, as detailed on pages 18 to 27, the directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for a period of, but not limited to, 12 months from the date of approval of the financial statements and therefore have considered it appropriate to adopt the going concern basis of accounting when preparing the financial statements.

(ii) New standards, interpretations and amendments to published standards that have been adopted by the Group

The Group has applied the following amendment for the first time in its six months reporting period commencing 1 January 2025, which did not have a material impact on its consolidated financial statements.

- Amendments to IAS 21, 'The Effects of Changes in Foreign Exchange Rates': 'Lack of Exchangeability'

4.02 Post balance sheet events

Since 30 June 2025, additional shares have been purchased under the Company's buyback programme. At 4 August 2025, a further 49,619,733 ordinary shares (representing 0.9% of Legal & General Group Plc's issued share capital at 30 June 2025) had been purchased for cancellation at a total cost of £127m including expenses, at an average price of 254.07p per share. Cumulatively, a total of 182,879,522 shares have been repurchased at a total cost of £451m.

4.03 Disposal group held for sale and discontinued operations

As described in Note 2.01, on 7 February 2025 the Group announced that it had agreed the sale of its US protection and US pension risk transfer (PRT) businesses to Meiji Yasuda Life Insurance Company (Meiji Yasuda), a Japanese mutual life insurance company, for an equity value of \$2.3bn (£1.8bn) payable in cash at completion (subject to certain purchase price adjustments). Following completion, Meiji Yasuda will own the Group's US protection business and have a 20% economic interest in its US PRT business, with L&G retaining 80% of existing and new PRT through reinsurance arrangements with Meiji Yasuda.

The transaction is expected to complete before the end of 2025 and is subject to customary closing conditions and regulatory approvals.

As a result of the announcement, the Group's US protection and entire PRT businesses now qualify for classification and measurement as a held for sale disposal group, and the results of the disposal group also meet the definition of discontinued operations. Refer to Note 2.01 for further information. The balances classified as held for sale and as discontinued operations are presented below.

(i) Assets and liabilities of operations classified as held for sale

	30 Jun 2025 £m
Intangible assets	68
Property, plant and equipment	35
Financial investments	9,320
Reinsurance contract assets	608
Deferred tax assets	103
Receivables and other assets	277
Cash and cash equivalents	809
Assets of operations classified as held for sale	11,220
Insurance contract liabilities	8,918
Reinsurance contract liabilities	152
Investment contract liabilities	107
Operational borrowings	1,287
Provisions	4
Deferred tax liabilities	181
Payables and other financial liabilities	50
Other liabilities	143
Liabilities of operations classified as held for sale	10,842
Total net assets of the disposal group	378

IFRS Disclosure Notes

4.03 Disposal group held for sale and discontinued operations (continued)

(ii) Financial performance of discontinued operations

	30 Jun 2025 £m	30 Jun 2024 £m	31 Dec 2024 £m
Revenue	1,056	1,017	2,032
Other income	387	121	361
Expenses	(1,405)	(1,089)	(2,299)
Profit before tax	38	49	94
Tax credit/(expense)	8	(7)	(29)
Profit after tax from discontinued operations¹	46	42	65
Other comprehensive (expense)/income after tax from discontinued operations¹	(13)	39	83
Total comprehensive income from discontinued operations¹	33	81	148

1. The profit after tax and other comprehensive income after tax from discontinued operations are attributable entirely to equity holders. The cumulative income recognised in other comprehensive income in relation to the disposal group as at 30 June 2025 was £110m.

(iii) Cash flow information of discontinued operations

	6 months 2025 £m	6 months 2024 £m	Full year 2024 £m
Net cash (outflow)/inflow (utilised in)/from operating activities	(424)	(56)	289
Net cash outflow utilised in investing activities	(5)	(3)	(12)
Net cash (outflow)/inflow (utilised in)/from financing activities	(1)	–	213

4.04 Dividends and appropriations

	Dividend 6 months 2025 £m	Per share ¹ 6 months 2025 p	Dividend 6 months 2024 £m	Per share ¹ 6 months 2024 p	Dividend Full year 2024 £m	Per share ¹ Full year 2024 p
Ordinary dividends paid and charged to equity in the period:						
- Final 2023 dividend paid in June 2024	–	–	874	14.63	874	14.63
- Interim 2024 dividend paid in September 2024	–	–	–	–	356	6.00
- Final 2024 dividend paid in June 2025	898	15.36	–	–	–	–
Total dividends²	898	15.36	874	14.63	1,230	20.63

1. The dividend per share calculation is based on the number of equity shares registered on the ex-dividend date.

2. All dividends proposed are based on the number of eligible equity shares for that date.

Subsequent to 30 June 2025, the directors declared an interim dividend of 6.12 pence per ordinary share. This dividend will be paid on 26 September 2025. It will be accounted for as an appropriation of retained earnings in the year ended 31 December 2025 and is not included as a liability in the Consolidated Balance Sheet as at 30 June 2025.

4.05 Financial investments and investment property

	30 Jun 2025 £m	30 Jun 2024 £m	31 Dec 2024 £m
Equities ¹	209,885	196,735	201,290
Debt securities ^{2,3}	231,060	228,928	235,583
Derivative assets ⁴	51,224	43,433	51,192
Loans ⁵	9,046	7,184	7,486
Financial investments	501,215	476,280	495,551
Investment property	10,148	9,264	9,822
Total financial investments and investment property	511,363	485,544	505,373

1. Equities include investments in unit trusts of £18,766m (30 June 2024: £19,708m; 31 December 2024: £19,931m).

2. Debt securities include accrued interest of £1,839m (30 June 2024: £1,842m; 31 December 2024: £1,997m) and include £8,093m (30 June 2024: £8,291m; 31 December 2024: £8,965m) of assets valued at amortised cost.

3. A detailed analysis of debt securities to which shareholders are directly exposed is disclosed in Note 7.03.

4. Derivatives are used for efficient portfolio management, particularly the use of interest rate swaps, inflation swaps, currency swaps and foreign exchange forward contracts for asset and liability management. Derivative assets are shown gross of derivative liabilities of £57,949m (30 June 2024: £47,896m; 31 December 2024: £57,873m).

5. Loans include £188m (30 June 2024: £15m; 31 December 2024: £84m) of loans valued at amortised cost.

IFRS Disclosure Notes

4.05 Financial investments and investment property (continued)

(i) Fair value hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurements are based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Group's view of market assumptions in the absence of observable market information. The Group utilises techniques that maximise the use of observable inputs and minimise the use of unobservable inputs.

The levels of fair value measurement bases are defined as follows:

Level 1: fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: fair values measured using valuation techniques for all inputs significant to the measurement other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: fair values measured using valuation techniques for any input for the asset or liability significant to the measurement that is not based on observable market data (unobservable inputs).

All of the Group's Level 2 assets have been valued using standard market pricing sources, such as IHS Markit, ICE and Bloomberg, or Index Providers such as Barclays, Merrill Lynch or JPMorgan. Each uses mathematical modelling and multiple source validation in order to determine consensus prices, with the exception of OTC Derivative holdings; OTCs are marked to market using an in-house system (Lombard Oberon), external vendor (IHS Markit), internal model or Counterparty Broker marks. In normal market conditions, we would consider these market prices to be observable market prices. Following consultation with our pricing providers and a number of their contributing brokers, we have considered that these prices are not from a suitably active market and have therefore classified them as Level 2.

The Group's investment properties are valued by appropriately qualified external valuers using unobservable inputs, resulting in all investment property being classified as Level 3.

The Group's policy is to re-assess categorisation of financial assets at the end of each reporting period and to recognise transfers between levels at that point in time. At 30 June 2025, debt securities totalling net £7.5bn transferred from Level 2 to Level 1 in the fair value hierarchy (30 June 2024: net £20.3bn; 31 December 2024: net £13.8bn).

The table below breaks down the fair value of financial investments and investment property by fair value hierarchy level.

	Total £m	Level 1 £m	Level 2 £m	Level 3 £m
For the six month period to 30 June 2025				
Shareholder				
Equity securities	2,338	589	–	1,749
Debt securities	75,436	41,015	15,784	18,637
Derivative assets	48,923	6	48,917	–
Loans at fair value	2,731	–	2,731	–
Investment property	6,266	–	–	6,266
Total Shareholder	135,694	41,610	67,432	26,652
Unit linked				
Equity securities	207,547	206,293	3	1,251
Debt securities	147,531	101,202	44,699	1,630
Derivative assets	2,301	90	2,211	–
Loans at fair value	6,127	–	6,127	–
Investment property	3,882	–	–	3,882
Total Unit linked	367,388	307,585	53,040	6,763
Total financial investments and investment property at fair value	503,082	349,195	120,472	33,415
Debt securities at amortised cost ¹	6,988	–	82	6,906
Loans at amortised cost ¹	188	1	–	187

1. Debt securities and loans which are held at amortised cost on the Consolidated Balance Sheet at a total value of £8,281m.

IFRS Disclosure Notes

4.05 Financial investments and investment property (continued)

(i) Fair value hierarchy (continued)

For the six month period to 30 June 2024	Total £m	Level 1 £m	Level 2 £m	Level 3 £m
Shareholder				
Equity securities	3,077	1,128	88	1,861
Debt securities	71,287	29,096	21,676	20,515
Derivative assets	41,661	141	41,469	51
Loans at fair value	2,411	–	2,411	–
Investment property	5,815	–	–	5,815
Total Shareholder	124,251	30,365	65,644	28,242
Unit linked				
Equity securities	193,658	193,170	34	454
Debt securities	149,350	104,696	43,550	1,104
Derivative assets	1,772	47	1,725	–
Loans at fair value	4,758	–	4,758	–
Investment property	3,449	–	–	3,449
Total Unit linked	352,987	297,913	50,067	5,007
Total financial investments and investment property at fair value	477,238	328,278	115,711	33,249
Debt securities at amortised cost ¹	7,240	–	43	7,197
Loans at amortised cost ¹	15	1	14	–

1. Debt securities and loans which are held at amortised cost on the Consolidated Balance Sheet at a total value of £8,306m.

For the year ended 31 December 2024	Total £m	Level 1 £m	Level 2 £m	Level 3 £m
Shareholder				
Equity securities	2,948	960	170	1,818
Debt securities	78,207	31,714	25,424	21,069
Derivative assets	49,195	7	49,188	–
Loans at fair value	2,630	–	2,630	–
Investment property	5,955	–	–	5,955
Total Shareholder	138,935	32,681	77,412	28,842
Unit linked				
Equity securities	198,342	197,532	1	809
Debt securities	148,411	97,799	49,269	1,343
Derivative assets	1,997	84	1,913	–
Loans at fair value	4,772	–	4,772	–
Investment property	3,867	–	–	3,867
Total Unit linked	357,389	295,415	55,955	6,019
Total financial investments and investment property at fair value	496,324	328,096	133,367	34,861
Debt securities at amortised cost ¹	7,847	–	43	7,804
Loans at amortised cost ¹	84	1	–	83

1. Debt securities and loans which are held at amortised cost on the Consolidated Balance Sheet at a total value of £9,049m.

IFRS Disclosure Notes

4.05 Financial investments and investment property (continued)

(ii) Level 3 assets measured at fair value

Level 3 assets, where modelling techniques are used, are comprised of property, unquoted securities, untraded debt securities and securities where unquoted prices are provided by a single broker. Unquoted securities include suspended securities, investments in private equity and property vehicles. Untraded debt securities include private placements, commercial real estate loans, income strips, retirement interest only and other lifetime mortgages.

In many situations, inputs used to measure the fair value of an asset or liability may fall into different levels of the fair value hierarchy. In these situations, the Group determines the level in which the fair value falls based upon the lowest level input that is significant to the determination of the fair value. As a result, both observable and unobservable inputs may be used in the determination of fair values that the Group has classified within Level 3.

The Group determines the fair values of certain financial assets and liabilities based on quoted market prices, where available. The Group also determines fair value based on estimated future cash flows discounted at the appropriate current market rate. As appropriate, fair values reflect adjustments for counterparty credit quality, the Group's credit standing, liquidity and risk margins on unobservable inputs.

Fair values are subject to a control framework designed to ensure that input variables and outputs are assessed independent of the risk taker. These inputs and outputs are reviewed and approved by a valuation committee and validated independently as appropriate.

	Equity securities 2025 £m	Other financial investments 2025 £m	Investment property 2025 £m	Total 2025 £m	Equity securities 2024 £m	Other financial investments 2024 £m	Investment property 2024 £m	Total 2024 £m
As at 1 January	2,627	22,412	9,822	34,861	2,392	20,463	8,893	31,748
Total gains/(losses) for the period								
- realised gains or (losses) ¹	12	(14)	(32)	(34)	(3)	1	(27)	(29)
- unrealised gains or (losses) ¹	(44)	(84)	(15)	(143)	(160)	(286)	(79)	(525)
Purchases/Additions	712	2,385	517	3,614	159	2,124	716	2,999
Sales/Disposals	(29)	(1,426)	(127)	(1,582)	(80)	(628)	(245)	(953)
Transfers into Level 3	11	35	–	46	–	118	–	118
Transfers out of Level 3	(190)	(7)	–	(197)	–	(135)	–	(135)
Transfers to held for sale	(89)	(3,024)	–	(3,113)	–	–	–	–
Foreign exchange rate movements	(10)	(10)	(17)	(37)	7	13	6	26
As at 30 June	3,000	20,267	10,148	33,415	2,315	21,670	9,264	33,249

	Equity securities 2024 £m	Other financial investments 2024 £m	Investment property 2024 £m	Total 2024 £m
As at 1 January	2,392	20,463	8,893	31,748
Total gains/(losses) for the year				
- realised gains or (losses) ¹	4	(17)	(2)	(15)
- unrealised gains or (losses) ¹	(208)	(278)	(20)	(506)
Purchases/Additions	789	5,649	1,502	7,940
Sales/Disposals	(364)	(3,369)	(552)	(4,285)
Transfers into Level 3	–	70	–	70
Transfers out of Level 3	–	(144)	–	(144)
Transfers to held for sale	–	–	–	–
Foreign exchange rate movements	14	38	1	53
As at 31 December	2,627	22,412	9,822	34,861

1. Amounts presented in realised and unrealised gains/(losses) are recognised in Investment return in the Consolidated Income Statement.

The information on Level 3 assets measured at fair value presented below excludes assets which are part of operations classified as held for sale. The total value of Level 3 assets included within Assets of operations classified as held for sale on the Consolidated Balance Sheet is £3,214m.

Equity securities

Level 3 equity securities amount to £3,000m (30 June 2024: £2,315m; 31 December 2024: £2,627m), the majority of which is made up of holdings in investment property vehicles and private investment funds. They are valued at the proportion of the Group's holding of the Net Asset Value reported by the investment vehicles. Other equity securities are valued by a number of third-party specialists using a range of techniques which are often dependent on the maturity of the underlying investment but can also depend on the characteristics of individual assets. Such techniques include transaction values underpinned by analysis of milestone achievement and cash runway for early/start-up stage investments, discounted cash flow models for investments at the next stage of development and earnings multiples for more mature investments.

IFRS Disclosure Notes

4.05 Financial investments and investment property (continued) (ii) Level 3 assets measured at fair value (continued)

Other financial investments

Lifetime mortgage (LTM) loans and retirement interest only mortgages amount to £6,072m (30 June 2024: £5,761m; 31 December 2024: £5,861m). Lifetime mortgages are valued using a discounted cash flow model by projecting best-estimate net asset proceeds and discounted using rates inferred from current LTM loan pricing. The inferred illiquidity premiums for the majority of the portfolio range between 125 and 200bps. This ensures the value of loans at outset is consistent with the purchase price of the loan and achieves consistency between new and in-force loans. Lifetime mortgages include a no negative equity guarantee (NNEG) to borrowers. This ensures that if there is a shortfall between the sale proceeds of the property and the outstanding loan balance on redemption of the loan, the value of the loan will be reduced by this amount. The NNEG on loan redemption is valued as a series of put options, which we calculate using a variant of the Black-Scholes formula. Key assumptions in the valuation of lifetime mortgages include short-term and long-term property growth rates, property index volatility, voluntary early repayments and longevity assumptions. The valuation as at 30 June 2025 reflects a combination of short-term and long-term property growth rate assumptions equivalent to a flat rate of 3.4% annually, after allowing for the effects of dilapidation. The values of the properties collateralising the LTM loans are updated from the date of the last property valuation to the valuation date by indexing using UK regional house price indices.

Private credit loans (including commercial real estate loans) amount to £12,518m (30 June 2024: £11,362m; 31 December 2024: £11,779m). Their valuation is determined by discounted future cash flows which are based on the yield curve of the Asset Management approved comparable bonds and the initial spread, both of which are agreed by IHS Markit who also provide an independent valuation of comparable bonds. Unobservable inputs that go into the determination of comparators include rating, sector, sub-sector, performance dynamics, financing structure and duration of investment. Existing private credit investments, which were executed as far back as 2011, are subject to a range of interest rate formats, although the majority are fixed rate. The weighted average duration of the portfolio is 7.2 years, with a weighted average life of 10.4 years. Maturities in the portfolio currently extend out to 2074. The private credit portfolio of assets has internal ratings assigned by an independent credit team in line with internally developed methodologies. These credit ratings range from AAA to BB-.

Private placements amount to £nil (30 June 2024: £1,857m; 31 December 2024: £2,181m) and they are valued using a pricing matrix comprised of a public spread matrix, internal ratings assigned to each holding, average life of each holding, and a premium spread matrix. These are added to the risk-free rate to calculate the discounted cash flows and establish a market value for each investment grade private placement.

Income strip assets amount to £1,260m (30 June 2024: £1,336m; 31 December 2024: £1,280m). Their primary valuation is provided by appropriately qualified external valuers who apply a yield to maturity to discounted future cash flows to derive valuations. The overall valuation takes into account the property location, tenant details, tenure, rent, rental break terms, lease expiries and underlying residual value of the property. The valuation as at 30 June 2025 reflects equivalent yield ranges between 3% and 18% and estimated rental values (ERV) between £7 and £367 per sq.ft.

Commercial mortgage loans amount to £nil (30 June 2024: £809m; 31 December 2024: £843m) and are determined by incorporating credit risk for performing loans at the portfolio level and adjusted for loans identified to be distressed at the loan level. The projected cash flows of each loan are discounted along stochastic risk-free rate paths and are inclusive of an Option Adjusted Spread (OAS), derived from current internal pricing on new loans, along with the best observable inputs.

Other debt securities and derivative assets which are not traded in an active market amount to £417m (30 June 2024: £545m; 31 December 2024: £468m). They have been valued using third party or counterparty valuations, and these prices are considered to be unobservable due to infrequent market transactions.

Investment property

Level 3 investment property amounting to £10,148m (30 June 2024: £9,264m; 31 December 2024: £9,822m) is valued with the involvement of external valuers. All property valuations in the UK are carried out in accordance with the latest edition of the Valuation Standards published by the Royal Institute of Chartered Surveyors and are undertaken by appropriately qualified valuers as defined therein. Outside the UK, valuations are produced in conjunction with external qualified professional valuers in the countries concerned. Whilst transaction evidence underpins the valuation process, the definition of market value, including the commentary, in practice requires the valuer to reflect the realities of the current market. In this context valuers must use their market knowledge and professional judgement and not rely only upon market sentiment based on historic transactional comparables.

The valuation of investment properties also includes an income approach that is based on current rental income plus anticipated uplifts, where the uplift and discount rates are derived from rates implied by recent market transactions. These inputs are deemed unobservable. The valuation as at 30 June 2025 reflects equivalent yield ranges between 1% and 53% and ERV between £2 and £369 per sq.ft.

The table below shows the valuation of investment property by sector:

	30 Jun 2025 £m	30 Jun 2024 £m	31 Dec 2024 £m
Retail	1,150	1,141	1,242
Leisure	496	455	493
Distribution	1,060	1,057	1,058
Office space	3,014	2,762	2,876
Industrial and other commercial	1,876	1,765	1,805
Accommodation	2,552	2,084	2,348
Total	10,148	9,264	9,822

IFRS Disclosure Notes

4.05 Financial investments and investment property (continued)

(iii) Effect of changes in assumptions on Level 3 assets

Fair values of financial instruments are, in certain circumstances, measured using valuation techniques that incorporate assumptions that are not evidenced by prices from observable current market transactions in the same instrument and are not based on observable market data.

Where material, the Group assesses the sensitivity of fair values of Level 3 investments to changes in unobservable inputs to reasonable alternative assumptions. The table below shows the impact of applying these sensitivities to the fair value of Level 3 assets as at 30 June 2025, including assets which are part of operations classified as held for sale. Further disclosure on how these sensitivities have been applied can be found in the descriptions following the table.

	Fair value 30 June 2025 £m	Sensitivities	
		Positive impact £m	Negative impact £m
Lifetime mortgages	6,072	225	(277)
Private credit portfolios	15,618	661	(661)
Investment property	10,148	792	(786)
Other investments ¹	4,791	233	(349)
Total Level 3 assets	36,629	1,911	(2,073)

1. Other investments include equity securities, income strip assets, derivative assets and other debt securities.

The sensitivities are not a function of sensitising a single variable relating to the valuation of the asset, but rather a function of flexing multiple factors often at individual asset level. The following sets out a number of key factors by asset type, and how they have been flexed to derive reasonable alternative valuations.

Lifetime mortgages

Key assumptions used in the valuation of lifetime mortgage assets are listed in Note 4.05 (ii) and sensitivities are applied to each assumption which are used to derive the values in the above table. The most significant decrease in value is a 20bps increase in the discount rate which, applied in isolation produces a sensitised value of £(140)m. The most significant increase in value is a 20bps reduction to the discount rate which, applied in isolation produces a sensitised value of £145m.

Private credit portfolios

The sensitivity in the private credit portfolio has been determined through a method which estimates investment spread value premium differences as compared to the institutional investment market. Individual investment characteristics of each holding, such as credit rating and duration are used to determine spread differentials for the purposes of determining alternate values. Spread differentials are determined to be lower for highly rated and/or shorter duration assets as compared to lower rated and/or longer duration assets. A significant component of the spread differential is in relation to the selection of comparator bonds, which is the potential difference in spread of the basket of relevant comparators determined by respective investors. If we were to take an A rated asset it may attract a spread differential of 20bps on the selection of comparator bonds as opposed to 40bps for a similar duration BBB rated asset. Applied in isolation the sensitivity used to reflect the spread in comparator bond selection results in sensitised values of £254m and £(254)m.

Investment property

Investment property holdings are valued by independent valuers on the basis of open market value as defined in the appraisal and valuation manual of the Royal Institute of Chartered Surveyors (RICS). As such, sensitivities are calculated through a mixture of asset level and portfolio level methodologies which make reference to individual investment characteristics of the holding but do not flex individual assumptions used by the independent expert in valuing the holdings. Each method is applied individually and aggregated with equal weighting to determine the overall sensitivity determined for the portfolio. One method is similar to that used in the private credit portfolio as it determines the impact of an alternate property yield determined in reference to credit ratings, remaining term and other characteristics of each holding. In this methodology we would apply a lower yield sensitivity to a highly rated and/or shorter remaining term asset compared with a lower rated and/or longer remaining term asset. If we were to take an AA rated asset with remaining term of 25 years in normal market conditions this would lead to a 15bps yield flex (as opposed to a 35bps yield flex for a BBB rated asset with 30 year remaining term). The methodology which leads to the most significant sensitivity at the balance sheet date is related to an example in case law where it was found that an acceptable margin of error in a valuation dispute is 10% either way, subject to the valuation being undertaken with due care. If this sensitivity were to be taken without a weighting it would produce sensitised values of £573m and £(573)m.

It should be noted that some sensitivities described above are non-linear, and larger or smaller impacts should not be interpolated or extrapolated from these results.

IFRS Disclosure Notes

4.06 Tax

(i) Tax expense in the Consolidated Income Statement

The tax expense attributable to equity holders differs from the tax calculated on profit before tax at the standard UK corporation tax rate as follows:

	From continuing operations 6 months 2025 £m	Total ¹ 6 months 2025 £m	From continuing operations 6 months 2024 £m	Total ¹ 6 months 2024 £m	From continuing operations Full year 2024 £m	Total ¹ Full year 2024 £m
Profit before tax attributable to equity holders	368	406	267	316	238	332
Tax calculated at 25%	92	102	67	79	60	83
Adjusted for the effects of:						
Recurring reconciling items:						
Different rate of tax on overseas profits and losses ²	(17)	(34)	(14)	(19)	(39)	(30)
Income not subject to tax	(4)	(4)	–	–	–	(3)
Non-deductible expenses ³	8	7	8	8	32	32
Differences between taxable and accounting investment gains ⁴	5	5	19	19	32	32
Other taxes on property and foreign income	1	1	3	3	7	7
Unrecognised tax losses	–	–	–	–	(1)	(1)
Double tax relief	–	–	–	–	(1)	(1)
Non-recurring reconciling items:						
Differences between taxable and accounting investment gains	2	2	–	–	19	19
Adjustments in respect of prior years	(3)	(3)	6	6	(1)	(1)
Tax expense attributable to equity holders	84	76	89	96	108	137
Equity holders' effective tax rate	23%	19%	33%	30%	45%	41%

1. Total includes results from continuing and discontinued operations.

2. The lower rate of tax on overseas profits and losses is driven by Bermuda where the statutory tax rate is 15%.

3. Non-deductible expenses relate to costs which are not deductible for tax purposes including expenses in respect of acquisitions and disposals as well as certain restructuring costs.

4. Differences between taxable and accounting investment gains includes adjustments to the carrying value of investments which are not taxable.

(ii) Implementation of the global minimum tax regime

The UK has enacted legislation with effect from 1 January 2024 to apply a global minimum tax (Pillar II) in line with the Model Rules agreed by the Organisation for Economic Co-operation and Development (OECD). The Group has applied the temporary mandatory exception from deferred tax accounting for the impacts of the UK top-up tax and will account for it as a current tax when it is incurred. The Group is not expecting to be subject to top-up tax in 2025.

On 15 January 2025, the OECD issued Administrative Guidance on Article 9.1 of the Global Anti-base Erosion Model Rules, which is expected to impact how the £340m Bermuda deferred tax asset recognised at 31 December 2023 is included in Pillar II calculations after 1 January 2027 (carrying value of £323m at H1 2025, reflecting unwind to date). We continue to await further and substantive guidance on this matter, noting that the Administrative Guidance does not of itself change the recognition of the Bermuda deferred tax asset, although there are some outcomes where there may be a material reduction to the Bermuda deferred tax asset or an increase in current taxes for 2025 and future years. For example, the interaction with the Pillar II tax calculations may result in additional top-up tax applying which in turn would increase the overall effective tax rate on the Bermuda business.

IFRS Disclosure Notes

4.06 Tax (continued)

(iii) Deferred tax

	30 Jun 2025	30 Jun 2024	31 Dec 2024
	£m	£m	£m
Deferred tax assets/(liabilities)			
Overseas deferred acquisition expenses ¹	–	128	136
Difference between the tax and accounting value of insurance contracts	1,504	820	617
- UK	1,181	1,344	1,258
- Bermuda	323	340	340
- US ¹	–	(864)	(981)
Realised and unrealised gains on investments	(109)	(91)	(32)
Excess of depreciation over capital allowances	(1)	16	(13)
Accounting provisions and other	53	31	11
Trading losses	151	641	825
- UK	151	77	170
- US ¹	–	564	655
Other	(13)	(1)	–
Net deferred tax asset	1,585	1,544	1,544
Presented on the Consolidated Balance Sheet as:			
- Deferred tax assets	1,585	1,720	1,741
- Deferred tax liabilities ¹	–	(176)	(197)
Net deferred tax asset	1,585	1,544	1,544

1. As at 30 June 2025 balances related to the US insurance entity have been classified as held for sale in the Consolidated Balance Sheet and are therefore excluded from the closing position. The total net deferred tax liability classified as held for sale is £78m.

IFRS Disclosure Notes

4.07 Share capital and share premium

Authorised share capital		Number of shares	£m
At 30 June 2025, 30 June 2024 and 31 December 2024: ordinary shares of 2.5p each		9,200,000,000	230
Issued share capital, fully paid		Number of shares	Share capital £m
As at 1 January 2025		5,893,179,639	147
Cancellation of shares under share buyback programme ¹		(133,259,789)	(3)
Options exercised under share option schemes		5,789,249	–
As at 30 June 2025		5,765,709,099	144
As at 1 January 2024		5,979,578,280	149
Cancellation of shares under share buyback programme ¹		(9,250,000)	–
Options exercised under share option schemes		1,795,636	–
As at 30 June 2024		5,972,123,916	149
Cancellation of shares under share buyback programme ¹		(79,585,417)	(2)
Options exercised under share option schemes		641,140	–
As at 31 December 2024		5,893,179,639	147

1. During the period, 133,259,789 shares (six months to 30 June 2024: 9,250,000 shares; 12 months to 31 December 2024: 88,835,417 shares) were repurchased and cancelled under the share buyback programme representing 2.3% of opening issued share capital (30 June 2024: 0.2%; 31 December 2024: 1.5%) at a cost of £324m including expenses (30 June 2024: £21m; 31 December 2024: £201m). At 4 August 2025, a further 49,619,733 ordinary shares had been purchased for cancellation at a total cost of £127m including expenses (see Note 4.02 for further information).

There is one class of ordinary shares of 2.5p each. All shares issued carry equal voting rights.

The holders of the Company's ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at shareholder meetings of the Company.

4.08 Restricted Tier 1 convertible notes

On 24 June 2020, Legal & General Group Plc issued £500m of 5.625% perpetual restricted Tier 1 contingent convertible notes. The notes are callable at par between 24 March 2031 and 24 September 2031 (the First Reset Date) inclusive and every 5 years after the First Reset Date. If not called, the coupon from 24 September 2031 will be reset to the prevailing five year benchmark gilt yield plus 5.378%.

The notes have no fixed maturity date. Optional cancellation of coupon payments is at the discretion of the issuer and mandatory cancellation is upon the occurrence of certain conditions. The Tier 1 notes are therefore treated as equity and coupon payments are recognised directly in equity when paid. During the period coupon payments of £14m were made (H1 24: £14m; FY 24: £28m). The notes rank junior to all other liabilities and senior to equity attributable to owners of the parent. On the occurrence of certain conversion trigger events the notes are convertible into ordinary shares of the issuer at the prevailing conversion price.

The notes are treated as restricted Tier 1 own funds for Solvency II purposes.

IFRS Disclosure Notes

4.09 Core borrowings

	Carrying amount 30 Jun 2025 £m	Fair value 30 Jun 2025 £m	Carrying amount 30 Jun 2024 £m	Fair value 30 Jun 2024 £m	Carrying amount 31 Dec 2024 £m	Fair value 31 Dec 2024 £m
Subordinated borrowings						
5.5% Sterling subordinated notes 2064 (Tier 2)	591	601	590	568	590	565
5.375% Sterling subordinated notes 2045 (Tier 2)	102	102	605	601	605	606
5.25% US Dollar subordinated notes 2047 (Tier 2)	628	629	681	662	688	684
5.55% US Dollar subordinated notes 2052 (Tier 2)	367	368	399	390	403	408
5.125% Sterling subordinated notes 2048 (Tier 2)	401	404	401	393	401	398
3.75% Sterling subordinated notes 2049 (Tier 2)	600	568	599	541	600	555
4.5% Sterling subordinated notes 2050 (Tier 2)	501	484	501	460	501	473
6.625% Sterling subordinated notes 2055 (Tier 2)	602	616	–	–	–	–
Client fund holdings of Group debt (Tier 2) ¹	(80)	(79)	(76)	(72)	(77)	(73)
Total subordinated borrowings	3,712	3,693	3,700	3,543	3,711	3,616
Senior borrowings						
Sterling medium term notes 2031-2041	603	641	603	637	609	633
Client fund holdings of Group debt ¹	(12)	(11)	(15)	(15)	(12)	(12)
Total senior borrowings	591	630	588	622	597	621
Total core borrowings	4,303	4,323	4,288	4,165	4,308	4,237

1. £92m (30 June 2024: £91m; 31 December 2024: £89m) of the Group's subordinated and senior borrowings are held by L&G customers through unit linked products. These borrowings are shown as a deduction from total core borrowings in the table above.

The presented fair values of the Group's core borrowings primarily reflect quoted prices in active markets, and they have been classified as Level 1 in the fair value hierarchy. The 5.55% US Dollar subordinated notes 2052 and £49m (30 June 2024: £50m; 31 December 2024: £49m) of the senior borrowings are derived using prices from an external, publicly available pricing model by a standard market pricing source and have been classified as Level 2 in the fair value hierarchy. The inputs for this model include a range of factors which are deemed to be observable, including current market prices for comparative instruments, period to maturity and yield curves.

(i) Subordinated borrowings

5.5% Sterling subordinated notes 2064

On 27 June 2014, Legal & General Group Plc issued £600m of 5.5% dated subordinated notes. The notes are callable at par on 27 June 2044 and every five years thereafter. If not called, the coupon from 27 June 2044 will be reset to the prevailing five year benchmark gilt yield plus 3.17% p.a. These notes mature on 27 June 2064.

5.375% Sterling subordinated notes 2045

On 27 October 2015, Legal & General Group Plc issued £600m of 5.375% dated subordinated notes. The notes are callable at par on 27 October 2025 and every five years thereafter. If not called, the coupon from 27 October 2025 will be reset to the prevailing five year benchmark gilt yield plus 4.58% p.a. These notes mature on 27 October 2045. On 3 April 2025, Legal & General Group Plc completed a tender offer and redeemed £498m of these notes.

5.25% US Dollar subordinated notes 2047

On 21 March 2017, Legal & General Group Plc issued \$850m of 5.25% dated subordinated notes. The notes are callable at par on 21 March 2027 and every five years thereafter. If not called, the coupon from 21 March 2027 will be reset to the prevailing US Dollar mid-swap rate plus 3.687% p.a. These notes mature on 21 March 2047.

5.55% US Dollar subordinated notes 2052

On 24 April 2017, Legal & General Group Plc issued \$500m of 5.55% dated subordinated notes. The notes are callable at par on 24 April 2032 and every five years thereafter. If not called, the coupon from 24 April 2032 will be reset to the prevailing US Dollar mid-swap rate plus 4.19% p.a. These notes mature on 24 April 2052.

5.125% Sterling subordinated notes 2048

On 14 November 2018, Legal & General Group Plc issued £400m of 5.125% dated subordinated notes. The notes are callable at par on 14 November 2028 and every five years thereafter. If not called, the coupon from 14 November 2028 will be reset to the prevailing five year benchmark gilt yield plus 4.65% p.a. These notes mature on 14 November 2048.

3.75% Sterling subordinated notes 2049

On 26 November 2019, Legal & General Group Plc issued £600m of 3.75% dated subordinated notes. The notes are callable at par on 26 November 2029 and every five years thereafter. If not called, the coupon from 26 November 2029 will be reset to the prevailing five year benchmark gilt yield plus 4.05% p.a. These notes mature on 26 November 2049.

4.5% Sterling subordinated notes 2050

On 1 May 2020, Legal & General Group Plc issued £500m of 4.5% dated subordinated notes. The notes are callable at par on 1 November 2030 and every five years thereafter. If not called, the coupon from 1 November 2030 will be reset to the prevailing five year benchmark gilt yield plus 5.25% p.a. These notes mature on 1 November 2050.

6.625% Sterling subordinated notes 2055

On 1 April 2025, Legal & General Group Plc issued £600m of 6.625% dated subordinated notes. The notes are callable at par from 1 October 2034 until 1 April 2035 and on each interest payment date thereafter. If not called, the coupon from 1 April 2035 will be reset to the prevailing five year benchmark gilt yield plus 3% p.a. These notes mature on 1 April 2055.

All of the above subordinated notes are treated as Tier 2 own funds for Solvency II purposes unless stated otherwise.

IFRS Disclosure Notes

4.09 Core borrowings (continued) (ii) Senior borrowings

Between 2000 and 2002 Legal & General Finance Plc issued £600m of senior unsecured Sterling medium term notes 2031-2041 at coupons between 5.75% and 5.875%. These notes have various maturity dates between 2031 and 2041.

4.10 Operational borrowings

	Carrying amount 30 Jun 2025 £m	Fair value 30 Jun 2025 £m	Carrying amount 30 Jun 2024 £m	Fair value 30 Jun 2024 £m	Carrying amount 31 Dec 2024 £m	Fair value 31 Dec 2024 £m
Euro Commercial Paper	50	50	49	49	50	50
Bank loans and overdrafts	57	57	4	4	9	9
Non-recourse borrowings	185	185	1,638	1,638	1,675	1,675
Total operational borrowings¹	292	292	1,691	1,691	1,734	1,734

1. Unit linked borrowings with a carrying value of £223m (30 June 2024: £163m; 31 December 2024: £1,657m) are excluded from the analysis above as the risk is retained by policyholders. Operational borrowings including unit linked borrowings are £515m (30 June 2024: £1,854m; 31 December 2024: £3,391m).

Syndicated credit facility

The Group has in place a £1.5bn syndicated committed revolving credit facility provided by a number of its key relationship banks, maturing in August 2029. No amounts were outstanding at 30 June 2025.

4.11 Movement in borrowings

	30 Jun 2025 £m	30 Jun 2024 £m	31 Dec 2024 £m
As at 1 January	7,699	6,120	6,120
Cash movements:			
- Proceeds from borrowings	749	476	1,054
- Repayment of borrowings	(733)	(261)	(473)
- Net (decrease)/increase in bank loans and overdrafts	(1,387)	(228)	1,271
- Disposal of Cala	–	–	(320)
Non-cash movements:			
- Amortisation	2	1	3
- Foreign exchange rate movements	(99)	14	43
- Transfers to held for sale ¹	(1,411)	–	–
- Other	(2)	20	1
Total core and operational borrowings as at 30 June/31 December	4,818	6,142	7,699

1. Non-recourse borrowings held by the US insurance entity were reclassified to Liabilities of operations classified as held for sale, with a value of £1,411m as at the reclassification date. Refer to Note 4.03 for further details.

IFRS Disclosure Notes

4.12 Payables and other financial liabilities

	30 Jun 2025 £m	30 Jun 2024 £m	31 Dec 2024 £m
Derivative liabilities	57,949	47,895	57,873
Repurchase agreements ¹	22,271	22,142	22,117
Other financial liabilities ²	12,587	10,427	7,372
Total payables and other financial liabilities	92,807	80,464	87,362

1. Repurchase agreements are presented gross; however, they and their related assets (included within debt securities) are subject to master netting arrangements. The significant majority of repurchase agreements are unit linked.
2. Other financial liabilities include trail commission, lease liabilities, FX spots and the value of short positions taken out to cover reverse repurchase agreements. The value of short positions as at 30 June 2025 was £3,199m (30 June 2024: £2,100m; 31 December 2024: £1,614m).

Fair value hierarchy

	Total £m	Level 1 £m	Level 2 £m	Level 3 £m	Amortised cost ¹ £m
As at 30 June 2025					
Derivative liabilities	57,949	722	57,187	40	–
Repurchase agreements	22,271	–	22,271	–	–
Other financial liabilities	12,587	3,135	64	–	9,388
Total payables and other financial liabilities	92,807	3,857	79,522	40	9,388

	Total £m	Level 1 £m	Level 2 £m	Level 3 £m	Amortised cost ¹ £m
As at 30 June 2024					
Derivative liabilities	47,895	524	47,333	38	–
Repurchase agreements	22,142	–	22,142	–	–
Other financial liabilities	10,427	3,532	57	–	6,838
Total payables and other financial liabilities	80,464	4,056	69,532	38	6,838

	Total £m	Level 1 £m	Level 2 £m	Level 3 £m	Amortised cost ¹ £m
As at 31 December 2024					
Derivative liabilities	57,873	522	57,318	33	–
Repurchase agreements	22,117	–	22,117	–	–
Other financial liabilities	7,372	2,797	53	–	4,522
Total payables and other financial liabilities	87,362	3,319	79,488	33	4,522

1. The carrying value of payables and other financial liabilities at amortised cost approximates its fair value.

Significant transfers between levels

There have been no significant transfers of liabilities between Levels 1, 2 and 3 for the period ended 30 June 2025 (30 June 2024 and 31 December 2024: no significant transfers).

IFRS Disclosure Notes

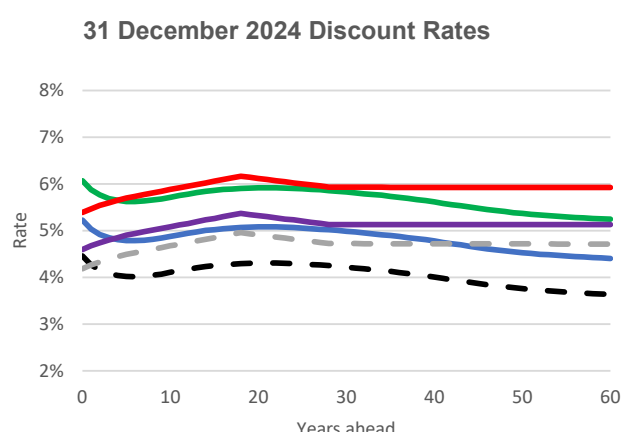
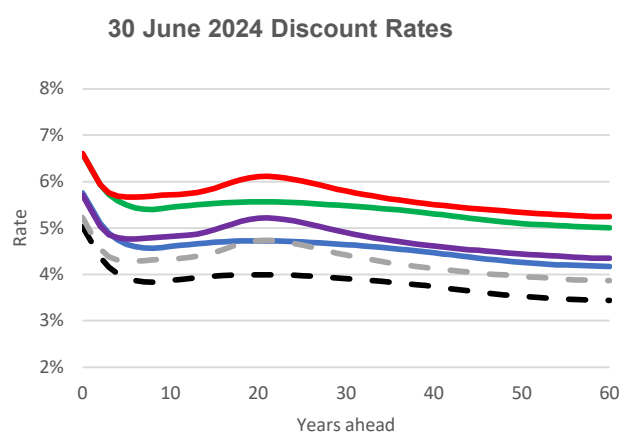
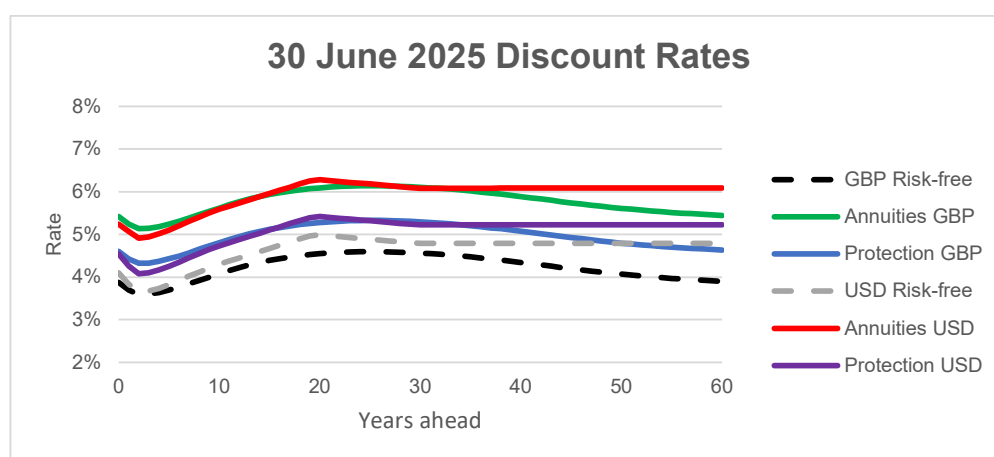
4.13 Long-term insurance discount rate assumptions

The interest rates used to discount the cash flows for the purpose of valuing insurance contract liabilities should reflect the timing and liquidity characteristics of the insurance liability cash flows and current market conditions. The valuation interest rate assumptions are derived as interest rate curves with full term structure.

In deriving the liquidity premium assumptions for annuity business, an explicit allowance for risk is deducted from the yield on the assets backing annuity liabilities. The allowance for risk comprises long-term assumptions about defaults and the market risk premiums for taking credit risk. In the case of lifetime mortgage assets, a best estimate expectation of losses arising from the no negative equity guarantee, and the market risk premiums for this risk are deducted from the yield. For the UK annuity business, the deduction for risk of default for corporate bonds and direct investments equated to 37bps (30 June 2024: 38bps; 31 December 2024: 38bps). For lifetime mortgages the deductions equated to £0.3bn (30 June 2024: £0.3bn; 31 December 2024: £0.3bn).

For US and UK protection business, the yield is calculated based on notional asset portfolios of AA rated corporate bonds and cash, which reflect the characteristics of the liability cash flows. An explicit allowance is deducted from the yield to reflect the default risk associated with the notional portfolio assets.

The discount rate curves used for material product lines are shown below. The discount rate curves are used to discount the cash flows on the underlying contracts and any associated reinsurance cash flows. The graphs display the underlying spot rates.



--- GBP Risk-free — Annuities GBP — Protection GBP
 --- USD Risk-free — Annuities USD — Protection USD

IFRS Disclosure Notes

4.14 Insurance contracts

(i) Insurance service result

Information on the Group's insurance service result is provided for continuing operations only. Comparative information has been restated accordingly.

For the six month period to 30 June 2025	Annuities £m	Protection £m	Total £m
Insurance revenue			
Amounts relating to changes in liabilities for remaining coverage:			
- CSM recognised for services provided	512	83	595
- Expected incurred claims and other insurance service expenses	2,817	817	3,634
- Change in the risk adjustment for non-financial risk for the risk expired	219	5	224
Recovery of insurance acquisition cash flows	14	46	60
Premium experience variance relating to past and current service	3	5	8
Total insurance revenue	3,565	956	4,521
Insurance service expenses	(2,866)	(936)	(3,802)
Allocation of reinsurance premiums	(1,695)	(458)	(2,153)
Amounts recoverable from reinsurers for incurred claims	1,485	533	2,018
Net (expense)/income from reinsurance contracts held	(210)	75	(135)
Total insurance service result	489	95	584

For the six month period to 30 June 2024	Annuities £m	Protection £m	Total £m
Insurance revenue			
Amounts relating to changes in liabilities for remaining coverage:			
- CSM recognised for services provided	471	67	538
- Expected incurred claims and other insurance service expenses	2,565	803	3,368
- Change in the risk adjustment for non-financial risk for the risk expired	205	5	210
Recovery of insurance acquisition cash flows	10	45	55
Premium experience variance relating to past and current service	(1)	(5)	(6)
Total insurance revenue	3,250	915	4,165
Insurance service expenses	(2,596)	(937)	(3,533)
Allocation of reinsurance premiums	(1,566)	(404)	(1,970)
Amounts recoverable from reinsurers for incurred claims	1,357	510	1,867
Net (expense)/income from reinsurance contracts held	(209)	106	(103)
Total insurance service result	445	84	529

For the year ended 31 December 2024	Annuities £m	Protection £m	Total £m
Insurance revenue			
Amounts relating to changes in liabilities for remaining coverage:			
- CSM recognised for services provided	991	168	1,159
- Expected incurred claims and other insurance service expenses	5,229	1,614	6,843
- Change in the risk adjustment for non-financial risk for the risk expired	433	14	447
Recovery of insurance acquisition cash flows	23	87	110
Premium experience variance relating to past and current service	–	(17)	(17)
Total insurance revenue	6,676	1,866	8,542
Insurance service expenses	(5,269)	(1,966)	(7,235)
Allocation of reinsurance premiums	(3,156)	(854)	(4,010)
Amounts recoverable from reinsurers for incurred claims	2,751	1,109	3,860
Net (expense)/income from reinsurance contracts held	(405)	255	(150)
Total insurance service result	1,002	155	1,157

IFRS Disclosure Notes

4.14 Insurance contracts (continued)

(ii) Insurance and reinsurance contracts

Information on the Group's insurance and reinsurance contracts relates only to continuing operations. It therefore excludes contracts associated with the Group's US insurance entity, which are classified as assets and liabilities held for sale in the Consolidated Balance Sheet.

	Assets 30 Jun 2025 £m	Liabilities 30 Jun 2025 £m	Assets 30 Jun 2024 £m	Liabilities 30 Jun 2024 £m	Assets 31 Dec 2024 £m	Liabilities 31 Dec 2024 £m
Insurance contracts issued						
Annuities						
Insurance contracts balances	–	84,466	–	84,759	–	91,075
Assets for insurance contract acquisition cash flows ¹	–	(29)	–	(27)	–	(14)
Protection						
Insurance contracts balances	–	2,729	–	4,788	–	4,609
Assets for insurance contract acquisition cash flows ¹	–	(11)	–	(20)	–	(22)
Total insurance contracts issued	–	87,155	–	89,500	–	95,648
Reinsurance contracts held						
Annuities						
Reinsurance contracts balances	5,882	1	5,679	–	6,651	2
Assets for insurance contract acquisition cash flows ¹	4	–	4	–	4	–
Protection						
Reinsurance contracts balances	2,267	6	2,501	142	2,510	168
Assets for insurance contract acquisition cash flows ¹	–	–	–	–	–	–
Total reinsurance contracts held	8,153	7	8,184	142	9,165	170

1. Assets for insurance and reinsurance acquisition cash flows are presented within the carrying amount of the related insurance and reinsurance contract liabilities.

4.15 Foreign exchange rates

The principal foreign exchange rates used for translation are:

Period end exchange rates	30 Jun 2025	30 Jun 2024	31 Dec 2024
United States dollar	1.37	1.27	1.25
Euro	1.17	1.18	1.21

Average exchange rates	6 months 2025	6 months 2024	Full year 2024
United States dollar	1.30	1.27	1.28
Euro	1.19	1.17	1.18

4.16 Provisions

Provisions include costs that the Asset Management business is committed to incur on the extension of its existing partnership with State Street announced in 2021, to increase the use of Charles River technology across the front office and to deliver middle office services going forward. Costs include the transfer of data and operations to State Street, as well as the implementation of the new operating model. The amounts included in the provision have been determined on a best estimate basis by reference to a range of plausible scenarios, taking into account the multi-year implementation period for the project. As at 30 June 2025, the outstanding provision was £49m (30 June 2024: £77m; 31 December 2024: £65m).

There are no retirement benefit obligations as at 30 June 2025 (30 June 2024: £14m; 31 December 2024: £3m).

IFRS Disclosure Notes

4.17 Contingent liabilities, guarantees and indemnities

Provision for the liabilities arising under contracts with policyholders is based on certain assumptions. The variance between actual experience from that assumed may result in those liabilities differing from the provisions made for them. Liabilities may also arise in respect of claims relating to the interpretation of policyholder contracts, or the circumstances in which policyholders have entered into them. The extent of these liabilities is influenced by a number of factors including the actions and requirements of the PRA, FCA, ombudsman rulings, industry compensation schemes and court judgments.

Various Group companies receive claims and become involved in actual or threatened litigation and regulatory issues from time to time. The relevant members of the Group ensure that they make prudent provision as and when circumstances calling for such provision become clear, and that each has adequate capital and reserves to meet reasonably foreseeable eventualities. The provisions made are regularly reviewed. It is not possible to predict, with certainty, the extent and the timing of the financial impact of these claims, litigation or issues.

Group companies have given warranties, indemnities and guarantees as a normal part of their business and operating activities or in relation to capital market transactions or corporate disposals. Legal & General Group Plc has provided indemnities and guarantees in respect of the liabilities of Group companies in support of their business activities. LGAS has provided indemnities, a liquidity and expense risk agreement, a deed of support and a cash and securities liquidity facility in respect of the liabilities of Group companies to facilitate the Group's matching adjustment reorganisation pursuant to Solvency II.

4.18 Related party transactions

(i) Key management personnel transactions and compensation

All transactions between the Group and its key management are on commercial terms which are no more favourable than those available to employees in general. There were no material transactions between key management and the L&G group of companies during the period. Contributions to the post-employment defined benefit plans were £nil (30 June 2024: £2m; 31 December 2024: £7m) for all employees.

At 30 June 2025, 30 June 2024 and 31 December 2024 there were no loans outstanding to officers of the Company.

The aggregate compensation for key management personnel, including executive directors, non-executive directors and the members of the Group Management Committee, is as follows:

	6 months 2025 £m	6 months 2024 £m	Full year 2024 £m
Salaries	7	6	14
Share-based incentive awards	6	7	10
Key management personnel compensation	13	13	24

(ii) Services provided to and by related parties

All transactions between the Group and associates, joint ventures and other related parties during the period are on commercial terms which are no more favourable than those available to companies in general.

Loans and commitments to related parties are made in the normal course of business. As at 30 June 2025, the Group had:

- Loans outstanding from related parties of £189m (30 June 2024: £31m; 31 December 2024: £21m), with a further commitment of £nil (30 June 2024: £6m; 31 December 2024: £8m)
- Total other commitments of £621m to related parties (30 June 2024: £1,496m; 31 December 2024: £1,547m), of which £449m has been drawn (30 June 2024: £1,137m; 31 December 2024: £1,264m)

Asset flows and new business

5.01 Asset Management total assets under management¹ (AUM)

	Index £bn	Liability driven & derivative overlays ² £bn	Active fixed income ³ £bn	Multi-asset £bn	Private markets ⁴ £bn	Total AUM £bn
For the six month period to 30 June 2025						
As at 1 January 2025 - excluding joint ventures, associates and other	516.9	302.4	166.7	93.6	38.1	1,117.7
External inflows	41.2	8.3	10.6	16.3	0.4	76.8
External outflows	(54.1)	(4.6)	(9.6)	(12.4)	(0.5)	(81.2)
Overlay net flows	–	(1.3)	–	0.1	–	(1.2)
External net flows⁵	(12.9)	2.4	1.0	4.0	(0.1)	(5.6)
PRT transfers ⁶	(0.1)	(1.8)	(0.1)	–	–	(2.0)
Insurance net flows ⁷	(0.5)	0.1	(1.6)	0.1	4.5	2.6
Total net flows	(13.5)	0.7	(0.7)	4.1	4.4	(5.0)
Market movements	7.2	(12.6)	(0.1)	12.6	(0.1)	7.0
Other movements ⁸	0.1	(4.0)	0.8	–	–	(3.1)
As at 30 June 2025 - excluding joint ventures, associates and other	510.7	286.5	166.7	110.3	42.4	1,116.6
Joint ventures, associates and other⁹	–	–	–	–	19.7	19.7
Total Asset Management AUM as at 30 June 2025	510.7	286.5	166.7	110.3	62.1	1,136.3
For the six month period to 30 June 2024						
As at 1 January 2024 - excluding joint ventures, associates and other	481.7	388.8	168.9	84.3	35.5	1,159.2
External inflows	35.3	8.0	9.3	6.2	0.7	59.5
External outflows	(50.2)	(14.3)	(11.3)	(4.4)	(0.7)	(80.9)
Overlay net flows	–	(7.1)	–	–	–	(7.1)
External net flows⁵	(14.9)	(13.4)	(2.0)	1.8	–	(28.5)
PRT transfers ⁶	–	(0.5)	–	–	–	(0.5)
Insurance net flows ⁷	(0.2)	(0.4)	(3.4)	–	1.7	(2.3)
Total net flows	(15.1)	(14.3)	(5.4)	1.8	1.7	(31.3)
Market movements	43.5	(22.9)	(2.5)	2.6	(0.3)	20.4
Other movements ⁸	(3.3)	(23.5)	0.7	–	–	(26.1)
As at 30 June 2024 - excluding joint ventures, associates and other	506.8	328.1	161.7	88.7	36.9	1,122.2
Joint ventures, associates and other⁹	–	–	–	–	17.0	17.0
Total Asset Management AUM as at 30 June 2024¹⁰	506.8	328.1	161.7	88.7	53.9	1,139.2

1. Assets under management (AUM) includes assets on our Investment Only Platform that are managed by third parties, on which fees are earned.

2. Includes liability driven investments and £178.4bn (30 June 2024: £202.5bn) of derivative notionals associated with the derivative overlays business.

3. Active fixed income includes £2.1bn (30 June 2024: £2.3bn) of actively managed equity.

4. Private markets AUM of £62.1bn (30 June 2024: £53.9bn) are shown on the basis of client asset view and excludes assets from multi-asset fund of fund structures. Total managed Private markets AUM is £64.8bn (30 June 2024: £55.4bn). This includes AUM from multi-asset strategies (£2.7bn) which includes flows into the Private Markets Access Fund from the Workplace DC Lifetime Advantage Fund, a target date multi-asset investment.

5. External net flows exclude movements in short-term liability driven and derivative overlays assets, as their maturity dates are determined by client agreements and are subject to a higher degree of variability. The total value of these assets at 30 June 2025 was £44.2bn (30 June 2024: £50.6bn).

6. PRT transfers reflect UK defined benefit pension scheme buy-outs to Institutional Retirement. The inflows received from the PRT transfer are reported within Insurance net flows.

7. Insurance net flows include legacy assets from the Mature Savings business sold to ReAssure in 2020.

8. Other movements include movements of external holdings in money market funds, other cash mandates and short-term liability driven and derivative overlays assets.

9. Figures reflect 100% of the AUM associated with fund managers classified as joint ventures and associates irrespective of the Group's holding in those fund managers. The figures also include L&G balance sheet assets managed by Asset Management.

10. Total Asset Management AUM as at 30 June 2024 has been restated to include L&G balance sheet assets managed by Asset Management.

Asset flows and new business

5.01 Asset Management total assets under management¹ (AUM) (continued)

	Index £bn	Liability driven & derivative overlays ² £bn	Active fixed income ³ £bn	Multi-asset £bn	Private markets ⁴ £bn	Total AUM £bn
For the year ended 31 December 2024						
As at 1 January 2024 - excluding joint ventures, associates and other	481.7	388.8	168.9	84.3	35.5	1,159.2
External inflows	75.0	15.8	19.8	18.0	1.1	129.7
External outflows	(105.7)	(27.7)	(19.0)	(13.8)	(1.8)	(168.0)
Overlay net flows	–	(9.5)	–	–	–	(9.5)
External net flows ⁵	(30.7)	(21.4)	0.8	4.2	(0.7)	(47.8)
PRT transfers ⁶	(0.2)	(1.4)	(1.2)	–	–	(2.8)
Insurance net flows ⁷	(0.1)	2.7	(3.1)	(0.1)	2.7	2.1
Total net flows	(31.0)	(20.1)	(3.5)	4.1	2.0	(48.5)
Market movements	66.2	(36.7)	1.9	5.2	0.5	37.1
Other movements ⁸	–	(29.6)	(0.6)	–	0.1	(30.1)
As at 31 December 2024 - excluding joint ventures, associates and other	516.9	302.4	166.7	93.6	38.1	1,117.7
Joint ventures, associates and other ⁹	–	–	–	–	17.1	17.1
Total Asset Management AUM as at 31 December 2024	516.9	302.4	166.7	93.6	55.2	1,134.8

- Assets under management (AUM) includes assets on our Investment Only Platform that are managed by third parties, on which fees are earned.
- Includes liability driven investments and £190.7bn of derivative notionals associated with the derivative overlays business.
- Active fixed income includes £2.2bn of actively managed equity.
- Private markets AUM of £55.2bn are shown on the basis of client asset view and excludes assets from multi-asset fund of fund structures. Total managed Private markets AUM, including £1.5bn of AUM from multi-asset strategies, is £56.7bn.
- External net flows exclude movements in short-term liability driven and derivative overlays assets, as their maturity dates are determined by client agreements and are subject to a higher degree of variability. The total value of these assets at 31 December 2024 was £51.8bn.
- PRT transfers reflect UK defined benefit pension scheme buy-outs to Institutional Retirement. The inflows received from the PRT transfer are reported within Insurance net flows.
- Insurance net flows include legacy assets from the Mature Savings business sold to ReAssure in 2020.
- Other movements include movements of external holdings in money market funds, other cash mandates and short-term liability driven and derivative overlays assets.
- Figures reflect 100% of the AUM associated with fund managers classified as joint ventures and associates irrespective of the Group's holding in those fund managers. The figures also include L&G balance sheet assets managed by Asset Management.

Asset flows and new business

5.02 Asset Management total assets under management (excluding joint ventures, associates and other) and net flows

	Assets under management (excluding joint ventures, associates and other) at			Net flows for the six months ended ¹		
	30 Jun 2025 £bn	30 Jun 2024 £bn	31 Dec 2024 £bn	30 Jun 2025 £bn	30 Jun 2024 £bn	31 Dec 2024 £bn
International²	372.8	371.6	386.9	(10.5)	(11.1)	(5.4)
UK Institutional						
- Defined contribution	191.7	176.0	182.8	2.6	1.7	(0.6)
- Defined benefit	370.8	409.0	374.4	(1.3)	(18.6)	(14.8)
Wholesale	69.5	62.7	66.4	2.3	1.7	1.7
ETF³	11.3	9.5	9.8	1.3	(2.2)	(0.2)
External	1,016.1	1,028.8	1,020.3	(5.6)	(28.5)	(19.3)
Insurance⁴	100.5	93.4	97.4	0.6	(2.8)	2.1
Total	1,116.6	1,122.2	1,117.7	(5.0)	(31.3)	(17.2)

1. External net flows exclude movements in short-term liability driven and derivative overlays assets, with maturity as determined by client agreements and are subject to a higher degree of variability.
2. International assets are shown on the basis of client domicile. Total International AUM including assets managed internationally on behalf of UK clients amounted to £476bn as at 30 June 2025 (30 June 2024: £465bn; 31 December 2024: £488bn).
3. ETF reflects external AUM and flows invested on the platform. Total AUM managed on the platform is £13.8bn (\$18.9bn) as at 30 June 2025 (30 June 2024: £11.7bn/\$14.8bn; 31 December 2024: £12.2bn/\$15.2bn) and flows of £1.4bn (\$1.8bn) as at 30 June 2025 (30 June 2024: £(2.2)bn/\$ (2.8)bn; 31 December 2024: £(2.3)bn/\$ (2.9)bn) which include internal investment from other Asset Management asset classes.
4. Insurance net flows include PRT transfers of £2.0bn (30 June 2024: £0.5bn; 31 December 2024: £2.8bn). PRT transfers reflect UK defined benefit pension scheme buy-outs to Institutional Retirement.

5.03 Reconciliation of assets under management to Consolidated Balance Sheet

	30 Jun 2025 £bn	30 Jun 2024 £bn	31 Dec 2024 £bn
Total assets under management ¹	1,136	1,139	1,135
Derivative notionals ²	(182)	(202)	(191)
Third-party assets ³	(477)	(486)	(480)
Other ⁴	57	50	58
Financial investments, investment property and cash and cash equivalents of operations classified as held for sale	(10)	–	–
Total financial investments, investment property and cash and cash equivalents	524	501	522

1. These balances are unaudited. Total AUM as at 30 June 2024 has been restated to include L&G balance sheet assets managed by Asset Management.
2. Derivative notionals are included in the assets under management measure but are not for IFRS reporting and are thus removed.
3. Third-party assets are those that the Asset Management division manage on behalf of others which are not included on the Group's Consolidated Balance Sheet.
4. Other includes assets that are managed by third parties on behalf of the Group, other assets and liabilities related to financial investments, derivative assets and pooled funds. It also includes measurement differences between assets under management, which are on a market value basis, and total investments on an IFRS basis.

Asset flows and new business

5.04 Workplace assets under administration¹

	30 Jun 2025 £bn	Restated ² 30 Jun 2024 £bn	31 Dec 2024 £bn
As at 1 January	93.8	80.1	80.1
Gross inflows	7.1	6.0	11.7
Gross outflows	(3.1)	(2.7)	(5.7)
Net flows	4.0	3.3	6.0
Market and other movements	3.3	4.3	7.7
As at 30 June	101.1	87.7	93.8

1. Workplace assets under administration includes Workplace and Retail savings assets under administration and as at 30 June 2025 includes £101.0bn (30 June 2024: £87.6bn; 31 December 2024: £93.7bn) of assets under management included in Note 5.01.

2. Assets under administration as at 30 June 2024 have been restated to include Retail savings.

5.05 Institutional Retirement new business

	6 months 30 Jun 2025 £m	6 months 30 Jun 2024 £m	6 months 31 Dec 2024 £m	Full year 31 Dec 2024 £m
UK	3,291	1,126	7,286	8,412
US ¹	114	417	1,267	1,684
Bermuda	55	–	566	566
Total Institutional Retirement new business	3,460	1,543	9,119	10,662

1. US reflects total new business for US PRT for H1 25 including the 20% of the US PRT business not retained post disposal of the Group's US Insurance entity (refer to Note 2.01 for further details).

5.06 Retail new business

	6 months 30 Jun 2025 £m	6 months 30 Jun 2024 £m	6 months 31 Dec 2024 £m	Full year 31 Dec 2024 £m
Individual annuities	745	1,174	944	2,118
Lifetime mortgage loans and retirement interest only mortgages	104	140	130	270
Total Retail Retirement new business	849	1,314	1,074	2,388
UK Retail protection	77	75	78	153
UK Group protection	61	68	42	110
Total Insurance new business	138	143	120	263
Total UK Retail new business	987	1,457	1,194	2,651
US protection¹	89	81	78	159

1. US protection will not be retained post sale of the Group's US Insurance entity (refer to Note 2.01 for further details). In local currency, US protection reflects new business of \$115m for 30 June 2025 (H1 2024: \$103m; H2 2024: \$100m).

6.01 Group regulatory capital – Solvency II

The Group measures and monitors its capital resources in line with the UK implementation of the Solvency II requirements as set out in the Prudential Regulation Authority (PRA) Rulebook.

The Solvency II results are estimated and unaudited. Further explanation of the underlying methodology and assumptions are set out in the sections below.

The Group calculates its Solvency II capital requirements using a Partial Internal Model. The majority of the risk to which the Group is exposed is assessed on the Internal Model basis approved by the PRA. Capital requirements for a few smaller entities are assessed using the Standard Formula basis on materiality grounds. The Group's US insurance businesses and Legal & General Reinsurance Company No. 2 are valued on a local statutory basis, following the PRA's approval to use Calculation Method 2 for including these businesses in the Group Solvency II calculation. To comply with regulatory requirements, US insurance businesses are included in the capital position and the associated Solvency II disclosure in Note 6.01 and 6.02 until the completion of disposal.

The table below shows the Group Own Funds, Solvency Capital Requirement (SCR) and Surplus Own Funds, based on the Partial Internal Model, Matching Adjustment and Transitional Measures on Technical Provisions (TMTP) as at 30 June 2025.

(i) Capital position

As at 30 June 2025, and on the above basis, the Group had a surplus of £7,300m (31 December 2024: £9,012m) over its Solvency Capital Requirement, corresponding to a Solvency II capital coverage ratio of 211% (31 December 2024: 232%). The Solvency II capital position is as follows:

	30 Jun 2025 £m	31 Dec 2024 £m
Unrestricted Tier 1 Own Funds	10,127	11,988
Restricted Tier 1 Own Funds ¹	495	495
Tier 2 Subordinated liabilities	3,487	3,404
Tier 2 and other eligibility restrictions	(219)	(27)
Solvency II Own Funds^{2,3}	13,890	15,860
Solvency Capital Requirement	(6,590)	(6,848)
Solvency II surplus	7,300	9,012
SCR Coverage ratio	211%	232%

1. Restricted Tier 1 Own Funds represent Perpetual restricted Tier 1 contingent convertible notes.

2. Solvency II Own Funds do not include an accrual for the interim dividend of £351m (31 December 2024: final dividend of £902m) declared after the balance sheet date.

3. Solvency II Own Funds allow for a Risk Margin of £1,038m (31 December 2024: £1,041m) and TMTP of £609m (31 December 2024: £685m).

6.01 Group regulatory capital – Solvency II (continued)

(ii) Methodology and assumptions

The methodology, assumptions and Partial Internal Model underlying the calculation of Solvency II Own Funds and associated capital requirements are broadly consistent with those set out in the Group's 2024 Annual report and accounts and Full Year Results.

Non-market assumptions are consistent with those underlying the Group's IFRS disclosures. Future investment returns and discount rates are those defined by the PRA, using risk-free rates based on SONIA market swap rates for sterling denominated liabilities. For annuities that are eligible, the liability discount rate includes a Matching Adjustment. This Matching Adjustment varies between Legal and General Assurance Society Limited and Legal & General Reinsurance Company Limited and by the currency of the relevant liabilities.

At 30 June 2025 the Matching Adjustment for UK GBP denominated liabilities was 129 basis points (31 December 2024: 127 basis points) after deducting an allowance for the fundamental spread equivalent to 42 basis points (31 December 2024: 45 basis points). The Matching Adjustment and fundamental spread have been calculated in accordance with the latest Solvency II regulations set out in the PRA Rulebook.

(iii) Analysis of change

Operational Surplus Generation (OSG) is the expected surplus generated from the assets and liabilities in-force at the start of the year. It is based on assumed real world returns and best estimate non-market assumptions. It includes the impact of management actions to the extent that, at the start of the year, these were reasonably expected to be implemented over the period.

New business strain is the cost of acquiring business and setting up technical provisions and SCR (net of any premium income), on actual new business written over the period. It is based on economic conditions at the point of sale.

The table below shows the movement (net of tax) during the six month period ended 30 June 2025 in the Group's Solvency II surplus.

	6 months 30 Jun 2025 Own Funds £m	6 months 30 Jun 2025 SCR £m	6 months 30 Jun 2025 Surplus £m
Opening position	15,860	(6,848)	9,012
Operational Surplus Generation ¹	664	65	729
New business strain ²	90	(178)	(88)
Net surplus generation	754	(113)	641
Operating variances ³			(184)
Market movements ⁴			(443)
Share buyback			(503)
Dividends paid ⁵			(898)
Total surplus movement before movements in Non-retained US business	(1,743)	356	(1,387)
Movements in Non-retained US business	(227)	(98)	(325)
Total surplus movement after movements in Non-retained US business	(1,970)	258	(1,712)
Closing position⁶	13,890	(6,590)	7,300

1. Operational Surplus Generation includes a £13m release of Risk Margin and £(37)m amortisation of the TMTP.

2. New business strain reflects the impact of all anticipated Funded Reinsurance on new business schemes. Where that reinsurance is not in place at 30 June 2025, the impact of Funded Reinsurance is reversed in operating variances.

3. Operating variances include the impact of experience variances, changes to valuation assumptions, methodology changes and other management actions including changes in asset mix.

4. Market movements represent the impact of changes in investment market conditions during the period and changes to future economic assumptions.

5. Dividends paid include the 2024 final dividend paid in H1 2025.

6. Movements on Non-retained US business includes the movement in the six months to 30 June 2025 of the business impacted by the announcement of intention to sell the US business, including movements on US Protection business, and 20% of the movements on US PRT business.

6.01 Group regulatory capital – Solvency II (continued)

(iii) Analysis of change (continued)

The table below shows the movement (net of tax) during the year ended 31 December 2024 in the Group's Solvency II surplus.

	Full year 31 Dec 2024 Own Funds £m	Full year 31 Dec 2024 SCR £m	Full year 31 Dec 2024 Surplus £m
Opening position	16,556	(7,389)	9,167
Operational Surplus Generation ¹	1,786	(35)	1,751
New business strain	185	(594)	(409)
Net surplus generation	1,971	(629)	1,342
Operating variances ²			156
Mergers, acquisitions and disposals ³			9
Market movements ⁴			(231)
Share buyback			(201)
Dividends paid ⁵			(1,230)
Total surplus movement (after dividends paid in the year)	(696)	541	(155)
Closing position	15,860	(6,848)	9,012

1. Operational Surplus Generation includes a £45m release of Risk Margin and £(83)m amortisation of the TMTP.

2. Operating variances include the impact of experience variances, changes to valuation assumptions, methodology changes and other management actions including changes in asset mix.

3. Mergers, acquisitions and disposals for the year ended 31 December 2024 includes the sale of Cala.

4. Market movements represent the impact of changes in investment market conditions during the year and changes to future economic assumptions.

5. Dividends paid include the 2023 final dividend and 2024 interim dividend.

(iv) Reconciliation of IFRS equity to Solvency II Own Funds

A reconciliation of the Group's IFRS equity to Solvency II Own Funds is given below:

	30 Jun 2025 £m	31 Dec 2024 £m
IFRS equity¹	2,411	3,548
CSM net of tax ²	10,185	10,287
IFRS equity plus CSM net of tax	12,596	13,835
Remove DAC, goodwill and other intangible assets and associated liabilities	(353)	(473)
Add IFRS carrying value of subordinated borrowings ³	3,792	3,788
Insurance contract valuation differences	(1,074)	(626)
Financial investments valuation differences	(1,105)	(1,118)
Difference in value of net deferred tax liabilities	268	491
Other	(15)	(10)
Tier 2 and other eligibility restrictions	(219)	(27)
Solvency II Own Funds⁴	13,890	15,860

1. IFRS equity represents equity attributable to owners of the parent and restricted Tier 1 convertible debt note as per the Consolidated Balance Sheet.

2. CSM net of tax includes Non-retained US business which is reported on the same basis as at 31 December 2024. The entire CSM net of tax from the disposal group held for sale is £1,091m as at 30 June 2025.

3. Treated as available capital on the Solvency II balance sheet as the liabilities are subordinate to policyholder claims.

4. Solvency II Own Funds do not include an accrual for the interim dividend of £351m (31 December 2024: final dividend of £902m) declared after the balance sheet date.

6.01 Group regulatory capital – Solvency II (continued)

(v) Sensitivity analysis

The following sensitivities are provided to give an indication of how the Group's Solvency II surplus as at 30 June 2025 would have changed in a variety of adverse events. These are all independent stresses to a single risk. In practice, the balance sheet is impacted by combinations of stresses and the combined impact can be larger than adding together the impacts of the same stresses in isolation. It is expected that, particularly for market risks, adverse stresses will happen together.

	Impact on net of tax Solvency II capital surplus 30 Jun 2025 £bn	Impact on net of tax Solvency II coverage ratio 30 Jun 2025 %	Impact on net of tax Solvency II capital surplus 31 Dec 2024 £bn	Impact on net of tax Solvency II coverage ratio 31 Dec 2024 %
100bps increase in risk-free rates	0.0	11	(0.0)	11
100bps decrease in risk-free rates ¹	(0.1)	(13)	(0.2)	(14)
Credit spreads widen by 100bps assuming an escalating addition to ratings ^{2,3}	0.1	8	0.2	9
Credit spreads widen by 100bps assuming a flat addition to ratings ²	0.2	11	0.2	13
Credit spreads narrow by 100bps assuming a flat deduction from ratings ²	(0.4)	(15)	(0.6)	(18)
Credit spreads of sub investment grade assets widen by 100bps assuming a level addition to ratings ^{2,4}	(0.1)	(2)	(0.1)	(3)
Credit migration ⁵	(0.5)	(8)	(0.5)	(8)
25% fall in equity markets ⁶	(0.5)	(5)	(0.5)	(5)
15% fall in property markets ⁷	(0.9)	(12)	(0.8)	(10)
50bps increase in future inflation expectations	0.1	(0)	0.1	(1)

1. In the interest rate down stress negative rates are allowed, i.e. there is no floor at zero rates.

2. The spread sensitivity applies to the Group's corporate bond (and similar) holdings, with no change in long-term default expectations. Restructured lifetime mortgages are excluded as the underlying exposure is mostly to property.

3. The stress for AA bonds is twice that for AAA bonds, for A bonds it is three times, for BBB four times and so on, such that the weighted average spread stress for the portfolio is 100 basis points. To give a 100bps increase on the total portfolio, the spread stress increases in steps of 32bps, i.e. 32bps for AAA, 64bps for AA etc.

4. No stress for bonds rated BBB and above. For bonds rated BB and below the stress is 100bps. The spread widening on the total portfolio is smaller than 1bps as the Group holds less than 1% in bonds rated BB and below. The impact is primarily an increase in SCR arising from the modelled cost of trading downgraded bonds back to a higher rating in the stress scenarios in the SCR calculation.

5. Credit migration stress covers the cost of an immediate big letter downgrade on 20% of all assets where the capital treatment depends on a credit rating (including corporate bonds, and sale and leaseback rental strips; lifetime mortgage senior notes are excluded). Downgraded assets in our annuity portfolio are assumed to be traded to their original credit rating, so the impact is primarily a reduction in Own Funds from the loss of value on downgrade. The impact of the sensitivity will depend upon the market levels of spreads at the balance sheet date.

6. This relates primarily to equity exposure held by the Group but will also include equity-based mutual funds and other investments that receive an equity stress (for example, certain investments in subsidiaries). Some assets have factors that increase or decrease the stress relative to general equity levels via a beta factor.

7. Assets stressed include residual values from sale and leaseback, the full amount of lifetime mortgages and direct investments treated as property.

The above sensitivity analysis does not reflect all management actions which could be taken to reduce the impacts. In practice, the Group actively manages its asset and liability positions to respond to market movements. Allowance is made for the recalculation of the Loss Absorbing Capacity of Deferred Tax for all stresses, assuming full capacity remains available post stress.

The impacts of these stresses are not linear therefore these results should not be used to interpolate or extrapolate the impact of a smaller or larger stress. The results of these tests are indicative of the market conditions prevailing at the balance sheet date. The results would be different if performed at an alternative reporting date.

6.02 Estimated Solvency II new business contribution

(i) New business by product¹

Management estimates of the present value of new business premium (PVNBP) and the margin for selected lines of business are provided below:

	PVNBP ² 6 months 2025 £m	Contribution from new business ³ 6 months 2025 £m	Margin ⁴ 6 months 2025 %	PVNBP ² Full year 2024 £m	Contribution from new business ³ Full year 2024 £m	Margin ⁴ Full year 2024 %
Institutional Retirement – UK annuity business	2,648	134	5.1	7,855	420	5.3
Retail Retirement – UK annuity business	745	23	3.1	2,118	132	6.2
UK Protection	801	32	4.0	1,461	57	3.9
US Protection⁵	756	79	10.5	1,249	135	10.8

1. Selected lines of business only.

2. PVNBP excludes a quota share reinsurance single premium of £643m (31 December 2024: £557m) relating to Institutional Retirement new business.

3. The contribution from new business is defined as the present value at the point of sale of expected future Solvency II surplus emerging from new business written in the year using the risk discount rate applicable at the end of the year.

4. Margin is based on unrounded inputs.

5. In local currency, US protection business reflects PVNBP of \$982m (31 December 2024: \$1,596m) and a contribution from new business of \$103m (31 December 2024: \$173m).

(ii) Basis of preparation

Solvency II new business contribution reflects the portion of Solvency II value added by new business written in the period. It has been calculated in a manner consistent with principles and methodologies which were adopted in the Group's 2024 Annual report and accounts and Full Year Results.

Solvency II new business contribution has been calculated for the Group's most material insurance-related businesses, namely, Institutional Retirement, Retail Retirement and Insurance.

Intra-group reinsurance arrangements are in place between US, UK and Bermudan businesses and it is expected that these arrangements will be periodically extended to cover recent new business. The US Protection new business margin assumes that the new business will continue to be reinsured and looks through the intra-group arrangements until the completion of the sale of that business.

6.02 Estimated Solvency II new business contribution (continued)

(iii) Assumptions

The key economic assumptions are as follows:

	30 Jun 2025 %	31 Dec 2024 %
Margin for Risk	3.6	3.7
Risk-free rate		
- UK	4.3	4.1
- US	4.2	4.6
Risk discount rate (net of tax)		
- UK	7.9	7.8
- US	7.8	8.3
Long-term rate of return on annuities	5.6	5.5

The future earnings are discounted using duration-based discount rates, which is the sum of a duration-based risk-free rate and a flat margin for risk. The risk-free rate shown above is a weighted average based on the projected cash flows.

Economic and non-economic assumptions are set to best estimates of their real-world outcomes, including a risk premium for asset returns where appropriate. In particular:

- The assumed future pre-tax returns on fixed interest and RPI linked securities are set by reference to yield on the relevant backing assets, net of an allowance for default risk which takes into account the credit rating and the outstanding term of the assets. The weighted average deduction for business written in 2025 equates to a level rate deduction from the expected returns of 15 basis points. The calculated return takes account of derivatives and other credit instruments in the investment portfolio.
- Non-economic assumptions have been set at levels commensurate with recent operating experience, including those for mortality, morbidity, persistency and maintenance expenses (excluding development costs). An allowance is made for future mortality improvement. For new business, mortality assumptions may be modified to take certain scheme specific features into account.

The profits on the new business are presented gross of tax.

(iv) Reconciliation of PVNBP to total Institutional Retirement and Retail new business

	Notes	6 months 2025 £bn	Full year 2024 £bn
PVNBP	6.02 (i)	5.0	12.7
Effect of capitalisation factor		(1.3)	(1.8)
New business premiums from selected lines		3.7	10.9
Other ¹		0.8	2.6
Total Institutional Retirement and Retail new business	5.05, 5.06	4.5	13.5

1. Other principally includes annuity sales in the US of £0.1bn (31 December 2024: £1.7bn), lifetime mortgage loans and retirement interest only mortgages of £0.1bn (31 December 2024: £0.3bn), and quota share reinsurance premiums of £0.6bn (31 December 2024: £0.6bn).

Investments

7.01 Investment portfolio

	30 Jun 2025 £m	30 Jun 2024 £m	31 Dec 2024 £m
Worldwide total assets under management ¹	1,144,191	1,145,104	1,143,749
Client and policyholder assets	(987,655)	(1,007,870)	(991,647)
Investments to which shareholders are directly exposed (market value)	156,536	137,234	152,102
Held for sale assets	(10,129)	–	–
Adjustment from market value to IFRS carrying value ²	1,105	1,051	1,118
Investments to which shareholders are directly exposed (IFRS carrying value)	147,512	138,285	153,220
Retained US portfolio³	5,866	–	–

1. Worldwide total assets under management include Asset Management AUM and other Group assets not managed by Asset Management.
2. Adjustments reflect measurement differences for a portion of the Group's financial investments designated as amortised cost.
3. Retained US portfolio (disclosed within Assets of operations classified as held for sale in the Consolidated Balance Sheet) includes the investment portfolio of the US PRT business that the Group will continue to be exposed to after completion of the sale.

Analysed by investment class:

		Annuity ¹ investments 30 Jun 2025 £m	Other investments 30 Jun 2025 £m	Total 30 Jun 2025 £m	Annuity ¹ investments 30 Jun 2024 £m	Other investments 30 Jun 2024 £m	Total 30 Jun 2024 £m	Annuity ¹ investments 31 Dec 2024 £m	Other investments 31 Dec 2024 £m	Total 31 Dec 2024 £m
	Notes									
Equities		1,464	874	2,338	1,961	1,116	3,077	2,052	896	2,948
Bonds	7.03	82,103	1,426	83,529	75,474	4,104	79,578	83,020	4,152	87,172
Derivative assets ²		48,823	100	48,923	41,527	134	41,661	49,039	156	49,195
Property	7.04	5,982	284	6,266	5,506	309	5,815	5,729	226	5,955
Loans ³		2,613	306	2,919	2,242	184	2,426	2,542	172	2,714
Financial investments and investment property		140,985	2,990	143,975	126,710	5,847	132,557	142,382	5,602	147,984
Cash and cash equivalents		1,436	530	1,966	2,035	1,295	3,330	2,631	1,126	3,757
Other assets ⁴		756	815	1,571	664	1,734	2,398	722	757	1,479
Total investments		143,177	4,335	147,512	129,409	8,876	138,285	145,735	7,485	153,220
Retained US portfolio⁵		5,866	–	5,866	–	–	–	–	–	–

1. Annuity investments include products held within the Institutional Retirement and Retail Retirement annuity portfolios and includes lifetime mortgage loans & retirement interest only mortgages.
2. Derivative assets are shown gross of derivative liabilities of £55.0bn (30 June 2024: £45.0bn; 31 December 2024: £54.3bn). Exposures arise from use of derivatives for efficient portfolio management, particularly the use of interest rate swaps, inflation swaps, currency swaps and foreign exchange forward contracts for assets and liability management.
3. Loans include reverse repurchase agreements of £2,731m (30 June 2024: £2,411m; 31 December 2024: £2,630m).
4. Other assets include finance leases of £441m (30 June 2024: £414m; 31 December 2024: £444m), associates and joint ventures of £769m (30 June 2024: £641m; 31 December 2024: £795m) and the consolidated net asset value of the Group's investments in the housing businesses, which at 30 June 2024 included Cala.
5. Retained US portfolio (disclosed within Assets of operations classified as held for sale in the Consolidated Balance Sheet) includes the investment portfolio of the US PRT business that the Group will continue to be exposed to after completion of the sale.

Investments

7.02 Direct investments

(i) Total investments analysed by asset class

	Direct ¹ investments 30 Jun 2025 £m	Traded ² securities 30 Jun 2025 £m	Total 30 Jun 2025 £m	Direct ¹ investments 30 Jun 2024 £m	Traded ² securities 30 Jun 2024 £m	Total 30 Jun 2024 £m	Direct ¹ investments 31 Dec 2024 £m	Traded ² securities 31 Dec 2024 £m	Total 31 Dec 2024 £m
Equities	1,633	705	2,338	1,766	1,311	3,077	1,698	1,250	2,948
Bonds ³	26,610	56,919	83,529	28,958	50,620	79,578	30,244	56,928	87,172
Derivative assets	–	48,923	48,923	–	41,661	41,661	–	49,195	49,195
Property ⁴	6,266	–	6,266	5,815	–	5,815	5,955	–	5,955
Loans	188	2,731	2,919	14	2,412	2,426	83	2,631	2,714
Financial investments and investment property	34,697	109,278	143,975	36,553	96,004	132,557	37,980	110,004	147,984
Cash and cash equivalents	151	1,815	1,966	202	3,128	3,330	169	3,588	3,757
Other assets	1,571	–	1,571	2,398	–	2,398	1,479	–	1,479
Total investments	36,419	111,093	147,512	39,153	99,132	138,285	39,628	113,592	153,220
Retained US portfolio⁵	2,573	3,293	5,866	–	–	–	–	–	–

1. Direct investments, which generally constitute an agreement with another party, represent an exposure to untraded and often less volatile asset classes. Direct investments also include physical assets, bilateral loans and private equity, but excluded hedge funds.

2. Traded securities are defined by exclusion. If an instrument is not a direct investment, then it is classed as a traded security.

3. Bonds include lifetime mortgage loans of £6,072m (30 June 2024: £5,761m; 31 December 2024: £5,861m).

4. A further breakdown of property is provided in Note 7.04.

5. Retained US portfolio (disclosed within Assets of operations classified as held for sale in the Consolidated Balance Sheet) includes the investment portfolio of the US pension risk transfer business that the Group will continue to be exposed to after completion of the sale.

Investments

7.02 Direct investments (continued)

(ii) Direct investments analysed by asset portfolio

	Annuity ¹ 30 Jun 2025 £m	Other 30 Jun 2025 £m	Total 30 Jun 2025 £m
Equities	785	848	1,633
Bonds ²	26,584	26	26,610
Property	5,982	284	6,266
Loans	–	188	188
Financial investments and investment property	33,351	1,346	34,697
Other assets, cash and cash equivalents	801	921	1,722
Total direct investments	34,152	2,267	36,419
Retained US portfolio³	2,573	–	2,573

	Annuity ¹ 30 Jun 2024 £m	Other 30 Jun 2024 £m	Total 30 Jun 2024 £m
Equities	832	934	1,766
Bonds ²	27,080	1,878	28,958
Property	5,506	309	5,815
Loans	–	14	14
Financial investments and investment property	33,418	3,135	36,553
Other assets, cash and cash equivalents	725	1,875	2,600
Total direct investments	34,143	5,010	39,153

	Annuity ¹ 31 Dec 2024 £m	Other 31 Dec 2024 £m	Total 31 Dec 2024 £m
Equities	831	867	1,698
Bonds ²	28,419	1,825	30,244
Property	5,729	226	5,955
Loans	–	83	83
Financial investments and investment property	34,979	3,001	37,980
Other assets, cash and cash equivalents	765	883	1,648
Total direct investments	35,744	3,884	39,628

1. Annuity includes products held within the Institutional Retirement and Retail Retirement annuity portfolios.

2. Bonds include lifetime mortgage loans of £6,072m (30 June 2024: £5,761m; 31 December 2024: £5,861m).

3. Retained US portfolio (disclosed within Assets of operations classified as held for sale in the Consolidated Balance Sheet) includes the investment portfolio of the US pension risk transfer business that the Group will continue to be exposed to after completion of the sale.

Investments

7.03 Bond portfolio summary

(i) Sectors analysed by credit rating

As at 30 June 2025	AAA £m	AA £m	A £m	BBB £m	BB or below £m	Other £m	Total ² £m	Total ² %
Sovereigns, Supras and Sub-Sovereigns	446	21,412	1,344	216	4	5	23,427	28
Banks:								
- Tier 1	-	-	-	-	-	-	-	-
- Tier 2 and other subordinated	-	-	14	12	7	-	33	-
- Senior	2	1,504	3,194	168	1	-	4,869	6
- Covered	113	-	-	-	-	-	113	-
Financial Services:								
- Tier 2 and other subordinated	-	58	20	3	2	8	91	-
- Senior	280	486	577	640	1	-	1,984	2
Insurance:								
- Tier 2 and other subordinated	-	178	4	43	1	-	226	-
- Senior	-	132	326	247	-	-	705	1
Consumer Services and Goods:								
- Cyclical	-	79	948	1,250	45	-	2,322	3
- Non-cyclical	171	592	2,613	2,162	4	-	5,542	6
- Healthcare	-	471	996	555	1	-	2,023	2
Infrastructure:								
- Social	88	969	4,951	1,144	64	-	7,216	9
- Economic	-	420	1,089	3,991	24	23	5,547	7
Technology and Telecoms	44	293	707	1,997	4	1	3,046	4
Industrials	-	159	665	655	10	-	1,489	2
Utilities	364	300	3,572	4,259	8	-	8,503	10
Energy	-	51	396	1,191	28	-	1,666	2
Commodities	-	-	248	411	4	-	663	1
Oil and Gas	-	534	356	398	2	3	1,293	2
Real estate	-	14	1,864	2,470	47	2	4,397	5
Structured Finance ABS / RMBS / CMBS / Other	538	658	819	214	9	12	2,250	3
Lifetime mortgage loans¹	-	5,103	494	415	-	60	6,072	7
CDOs	-	41	-	11	-	-	52	-
Total £m	2,046	33,454	25,197	22,452	266	114	83,529	100
Total %	3	40	30	27	-	-	100	
Retained US portfolio³	553	871	1,760	2,087	46	10	5,327	

1. The credit ratings attributed to lifetime mortgage loans are allocated in accordance with the internal Matching Adjustment structuring.

2. The Group's bond portfolio is dominated by investments backing Institutional Retirement's and Retail Retirement's annuity business. These account for £82,103m, representing 98% of the total Group portfolio (excluding the Retained US portfolio).

3. Retained US portfolio (disclosed within Assets of operations classified as held for sale in the Consolidated Balance Sheet) includes the investment portfolio of the US pension risk transfer business that the Group will continue to be exposed to after completion of the sale.

Investments

7.03 Bond portfolio summary (continued)

(i) Sectors analysed by credit rating (continued)

As at 30 June 2024	AAA £m	AA £m	A £m	BBB £m	BB or below £m	Other £m	Total ² £m	Total ² %
Sovereigns, Supras and Sub-Sovereigns	525	9,878	997	136	1	3	11,540	15
Banks:								
- Tier 1	–	–	–	–	–	–	–	–
- Tier 2 and other subordinated	–	–	75	31	2	–	108	–
- Senior	–	1,984	3,580	856	1	–	6,421	8
- Covered	80	–	–	–	–	–	80	–
Financial Services:								
- Tier 2 and other subordinated	–	104	150	15	7	8	284	–
- Senior	207	478	735	722	–	5	2,147	3
Insurance:								
- Tier 2 and other subordinated	36	133	29	42	–	–	240	–
- Senior	30	185	406	354	–	–	975	1
Consumer Services and Goods:								
- Cyclical	–	88	1,140	1,531	29	1	2,789	4
- Non-cyclical	296	773	2,744	2,683	63	1	6,560	8
- Healthcare	–	725	994	563	5	–	2,287	3
Infrastructure:								
- Social	154	773	4,513	1,235	66	–	6,741	9
- Economic	–	455	1,122	4,104	48	22	5,751	7
Technology and Telecoms	85	481	1,182	2,439	11	6	4,204	5
Industrials	–	211	433	908	26	1	1,579	2
Utilities	514	403	4,711	3,727	8	–	9,363	12
Energy	–	25	498	1,414	33	–	1,970	2
Commodities	–	–	208	607	26	2	843	1
Oil and Gas	–	451	559	353	12	4	1,379	2
Real estate	–	27	2,293	2,337	82	–	4,739	6
Structured Finance ABS / RMBS / CMBS / Other	874	780	1,283	756	52	20	3,765	5
Lifetime mortgage loans ¹	–	4,819	490	399	–	53	5,761	7
CDOs	–	41	–	11	–	–	52	–
Total £m	2,801	22,814	28,142	25,223	472	126	79,578	100
Total %	3	29	35	32	1	–	100	

1. The credit ratings attributed to lifetime mortgage loans are allocated in accordance with the internal Matching Adjustment structuring.

2. The Group's bond portfolio is dominated by investments backing Institutional Retirement's and Retail Retirement's annuity business. These account for £75,474m, representing 95% of the total Group portfolio.

Investments

7.03 Bond portfolio summary (continued)

(i) Sectors analysed by credit rating (continued)

As at 31 December 2024	AAA £m	AA £m	A £m	BBB £m	BB or below £m	Other £m	Total ² £m	Total ² %
Sovereigns, Supras and Sub-Sovereigns	518	15,907	1,036	201	19	1	17,682	20
Banks:								
- Tier 1	–	–	–	–	–	–	–	–
- Tier 2 and other subordinated	–	–	59	14	2	–	75	–
- Senior	–	1,677	4,197	896	1	–	6,771	8
- Covered	212	–	–	–	–	–	212	–
Financial Services:								
- Tier 2 and other subordinated	–	104	23	15	8	8	158	–
- Senior	212	885	796	846	1	–	2,740	3
Insurance:								
- Tier 2 and other subordinated	34	133	19	37	1	–	224	–
- Senior	21	173	411	351	–	–	956	1
Consumer Services and Goods:								
- Cyclical	–	91	1,048	1,465	37	1	2,642	3
- Non-cyclical	279	694	2,726	2,588	60	–	6,347	7
- Healthcare	–	602	1,011	604	6	–	2,223	3
Infrastructure:								
- Social	99	863	4,564	1,285	64	–	6,875	8
- Economic	–	431	1,258	4,280	37	23	6,029	7
Technology and Telecoms	100	403	1,056	2,525	18	1	4,103	5
Industrials	–	201	384	958	33	–	1,576	2
Utilities	427	397	4,655	3,799	10	–	9,288	11
Energy	–	28	543	1,457	35	–	2,063	2
Commodities	–	–	194	609	11	–	814	1
Oil and Gas	–	625	427	428	14	3	1,497	2
Real estate	–	34	1,850	2,530	82	1	4,497	5
Structured Finance ABS / RMBS / CMBS / Other	1,084	981	1,541	791	68	22	4,487	5
Lifetime mortgage loans ¹	–	4,916	483	402	–	60	5,861	7
CDOs	–	41	–	11	–	–	52	–
Total £m	2,986	29,186	28,281	26,092	507	120	87,172	100
Total %	3	34	32	30	1	–	100	

1. The credit ratings attributed to lifetime mortgage loans are allocated in accordance with the internal Matching Adjustment structuring.

2. The Group's bond portfolio is dominated by investments backing Institutional Retirement's and Retail Retirement's annuity business. These account for £83,020m, representing 95% of the total Group portfolio.

Investments

7.03 Bond portfolio summary (continued)

(ii) Sectors analysed by domicile

As at 30 June 2025	UK £m	US £m	EU £m	Rest of the World £m	Total £m
Sovereigns, Supras and Sub-Sovereigns	17,693	3,759	1,251	724	23,427
Banks	1,836	881	1,301	997	5,015
Financial Services	246	748	950	131	2,075
Insurance	50	766	22	93	931
Consumer Services and Goods:					
- Cyclical	528	1,490	129	175	2,322
- Non-cyclical	1,437	3,305	582	218	5,542
- Healthcare	268	1,485	218	52	2,023
Infrastructure:					
- Social	6,254	566	213	183	7,216
- Economic	4,102	477	271	697	5,547
Technology and Telecoms	331	1,849	494	372	3,046
Industrials	190	759	410	130	1,489
Utilities	3,461	2,748	1,884	410	8,503
Energy	600	814	37	215	1,666
Commodities	53	302	125	183	663
Oil and Gas	291	274	404	324	1,293
Real estate	1,826	1,388	981	202	4,397
Structured Finance ABS / RMBS / CMBS / Other	1,245	410	507	88	2,250
Lifetime mortgage loans	5,512	-	560	-	6,072
CDOs	-	-	-	52	52
Total	45,923	22,021	10,339	5,246	83,529
Retained US portfolio¹	67	4,547	222	491	5,327

1. Retained US portfolio (disclosed within Assets of operations classified as held for sale in the Consolidated Balance Sheet) includes the investment portfolio of the US pension risk transfer business that the Group will continue to be exposed to after completion of the sale.

Investments

7.03 Bond portfolio summary (continued) (ii) Sectors analysed by domicile (continued)

As at 30 June 2024	UK £m	US £m	EU £m	Rest of the World £m	Total £m
Sovereigns, Supras and Sub-Sovereigns	8,382	1,859	888	411	11,540
Banks	1,618	2,267	1,438	1,286	6,609
Financial Services	419	1,002	764	246	2,431
Insurance	54	1,010	74	77	1,215
Consumer Services and Goods:					
- Cyclical	423	1,917	257	192	2,789
- Non-cyclical	1,364	4,298	558	340	6,560
- Healthcare	279	1,956	52	–	2,287
Infrastructure:					
- Social	5,866	648	154	73	6,741
- Economic	3,947	917	282	605	5,751
Technology and Telecoms	393	2,798	460	553	4,204
Industrials	225	999	307	48	1,579
Utilities	3,734	3,337	1,771	521	9,363
Energy	600	1,016	23	331	1,970
Commodities	53	381	119	290	843
Oil and Gas	284	351	425	319	1,379
Real estate	1,960	1,715	756	308	4,739
Structured Finance ABS / RMBS / CMBS / Other	1,101	2,114	92	458	3,765
Lifetime mortgage loans	5,295	–	466	–	5,761
CDOs	–	–	–	52	52
Total	35,997	28,585	8,886	6,110	79,578

Investments

7.03 Bond portfolio summary (continued) (ii) Sectors analysed by domicile (continued)

As at 31 December 2024	UK £m	US £m	EU £m	Rest of the World £m	Total £m
Sovereigns, Supras and Sub-Sovereigns	13,298	2,528	1,279	577	17,682
Banks	2,056	2,638	1,219	1,145	7,058
Financial Services	424	1,160	998	316	2,898
Insurance	47	991	68	74	1,180
Consumer Services and Goods:					
- Cyclical	396	1,855	168	223	2,642
- Non-cyclical	1,292	4,146	552	357	6,347
- Healthcare	274	1,909	40	–	2,223
Infrastructure:					
- Social	5,915	615	138	207	6,875
- Economic	3,955	895	267	912	6,029
Technology and Telecoms	345	2,730	465	563	4,103
Industrials	242	973	314	47	1,576
Utilities	3,513	3,502	1,787	486	9,288
Energy	606	1,135	22	300	2,063
Commodities	51	383	110	270	814
Oil and Gas	304	419	453	321	1,497
Real estate	1,724	1,796	704	273	4,497
Structured Finance ABS / RMBS / CMBS / Other	1,191	2,672	201	423	4,487
Lifetime mortgage loans	5,359	–	502	–	5,861
CDOs	–	–	–	52	52
Total	40,992	30,347	9,287	6,546	87,172

Investments

7.03 Bond portfolio summary (continued)

(iii) Bond portfolio analysed by credit rating

	Externally rated £m	Internally rated ¹ £m	Total £m
As at 30 June 2025			
AAA	1,522	524	2,046
AA	26,610	6,844	33,454
A	15,106	10,091	25,197
BBB	14,786	7,666	22,452
BB or below	167	99	266
Other	22	92	114
Total	58,213	25,316	83,529
Retained US portfolio²	2,955	2,372	5,327

	Externally rated £m	Internally rated ¹ £m	Total £m
As at 30 June 2024			
AAA	2,315	486	2,801
AA	16,328	6,486	22,814
A	16,612	11,530	28,142
BBB	16,280	8,943	25,223
BB or below	245	227	472
Other	23	103	126
Total	51,803	27,775	79,578

	Externally rated £m	Internally rated ¹ £m	Total £m
As at 31 December 2024			
AAA	2,448	538	2,986
AA	22,344	6,842	29,186
A	17,563	10,718	28,281
BBB	17,295	8,797	26,092
BB or below	289	218	507
Other	24	96	120
Total	59,963	27,209	87,172

1. Where external ratings are not available an internal rating has been used where practicable to do so.

2. Retained US portfolio (disclosed within Assets of operations classified as held for sale in the Consolidated Balance Sheet) includes the investment portfolio of the US pension risk transfer business that the Group will continue to be exposed to after completion of the sale.

Investments

7.03 Bond portfolio summary (continued)

(iv) Sectors analysed by direct investments and traded securities

As at 30 June 2025	Direct investments £m	Traded £m	Total £m
Sovereigns, Supras and Sub-Sovereigns	1,618	21,809	23,427
Banks	52	4,963	5,015
Financial Services	979	1,096	2,075
Insurance	145	786	931
Consumer Services and Goods:			
- Cyclical	395	1,927	2,322
- Non-cyclical	685	4,857	5,542
- Healthcare	472	1,551	2,023
Infrastructure:			
- Social	4,670	2,546	7,216
- Economic	3,963	1,584	5,547
Technology and Telecoms	194	2,852	3,046
Industrials	212	1,277	1,489
Utilities	2,565	5,938	8,503
Energy	698	968	1,666
Commodities	147	516	663
Oil and Gas	93	1,200	1,293
Real estate	2,748	1,649	4,397
Structured finance ABS / RMBS / CMBS / Other	902	1,348	2,250
Lifetime mortgage loans	6,072	-	6,072
CDOs	-	52	52
Total	26,610	56,919	83,529
Retained US portfolio¹	2,504	2,823	5,327

1. Retained US portfolio (disclosed within Assets of operations classified as held for sale in the Consolidated Balance Sheet) includes the investment portfolio of the US pension risk transfer business that the Group will continue to be exposed to after completion of the sale.

Investments

7.03 Bond portfolio summary (continued)

(iv) Sectors analysed by direct investments and traded securities (continued)

As at 30 June 2024	Direct investments £m	Traded £m	Total £m
Sovereigns, Supras and Sub-Sovereigns	1,473	10,067	11,540
Banks	1,234	5,375	6,609
Financial Services	1,524	907	2,431
Insurance	149	1,066	1,215
Consumer Services and Goods:			
- Cyclical	535	2,254	2,789
- Non-cyclical	688	5,872	6,560
- Healthcare	516	1,771	2,287
Infrastructure:			
- Social	4,090	2,651	6,741
- Economic	4,205	1,546	5,751
Technology and Telecoms	285	3,919	4,204
Industrials	257	1,322	1,579
Utilities	2,586	6,777	9,363
Energy	794	1,176	1,970
Commodities	142	701	843
Oil and Gas	94	1,285	1,379
Real estate	2,864	1,875	4,739
Structured Finance ABS / RMBS / CMBS / Other	1,761	2,004	3,765
Lifetime mortgage loans	5,761	–	5,761
CDOs	–	52	52
Total	28,958	50,620	79,578

Investments

7.03 Bond portfolio summary (continued)

(iv) Sectors analysed by direct investments and traded securities (continued)

As at 31 December 2024	Direct investments £m	Traded £m	Total £m
Sovereigns, Supras and Sub-Sovereigns	1,507	16,175	17,682
Banks	1,467	5,591	7,058
Financial Services	1,608	1,290	2,898
Insurance	150	1,030	1,180
Consumer Services and Goods:			
- Cyclical	470	2,172	2,642
- Non-cyclical	837	5,510	6,347
- Healthcare	511	1,712	2,223
Infrastructure:			
- Social	4,398	2,477	6,875
- Economic	4,451	1,578	6,029
Technology and Telecoms	231	3,872	4,103
Industrials	267	1,309	1,576
Utilities	2,800	6,488	9,288
Energy	793	1,270	2,063
Commodities	149	665	814
Oil and Gas	93	1,404	1,497
Real estate	2,499	1,998	4,497
Structured Finance ABS / RMBS / CMBS / Other	2,152	2,335	4,487
Lifetime mortgage loans	5,861	–	5,861
CDOs	–	52	52
Total	30,244	56,928	87,172

Investments

7.04 Property analysis

Property exposure within direct investments by status

	Annuity £m	Other ¹ £m	Total £m	%
As at 30 June 2025				
Let ²	5,089	92	5,181	83
Development	893	152	1,045	17
Land	–	40	40	–
Total	5,982	284	6,266	100

	Annuity £m	Other ¹ £m	Total £m	%
As at 30 June 2024				
Let ²	4,927	96	5,023	86
Development	579	179	758	13
Land	–	34	34	1
Total	5,506	309	5,815	100

	Annuity £m	Other ¹ £m	Total £m	%
As at 31 December 2024				
Let ²	4,990	98	5,088	85
Development	739	94	833	14
Land	–	34	34	1
Total	5,729	226	5,955	100

1. The above analysis does not include assets related to the Group's investments in housing businesses, which are accounted for as inventory within Receivables and other assets on the Group's Consolidated Balance Sheet and measured at the lower of cost and net realisable value. At 30 June 2025, the Group held a total of £683m (30 June 2024: £2,084m; 31 December 2024: £531m) of such assets.
2. £4.1bn (30 June 2024: £4.0bn; 31 December 2024: £4.0bn) was let to corporate clients, out of which £3.9bn (30 June 2024: £3.9bn; 31 December 2024: £3.7bn) was let to investment grade tenants.

Alternative Performance Measures

An alternative performance measure (APM) is a financial measure of historic or future financial performance, financial position, or cash flows, other than a financial measure defined under IFRS or the regulations of Solvency II. APMs offer investors and stakeholders additional information on a company's performance and the financial effect of one-off events, and the Group uses a range of these metrics to enhance understanding of its performance. However, APMs should be viewed as complementary to, rather than as a substitute for, the figures determined according to other regulations. The APMs used by the Group are listed in this Note, along with their definition / explanation, their closest IFRS or Solvency II measure and, where relevant, the reference to the reconciliations to those measures.

The APMs used by the Group may not be the same as, or comparable to, those used by other companies, both in similar and different industries. The calculation of APMs is consistent with previous periods, unless otherwise stated.

APMs derived from IFRS measures

Adjusted operating profit

Adjusted operating profit is an APM that supports the internal performance management and decision making of the Group's operating businesses, and accordingly underpins the remuneration outcomes of the executive directors and senior management. The Group considers this measure meaningful to stakeholders as it enhances the understanding of the Group's operating performance over time by separately identifying non-operating items.

Adjusted operating profit measures the pre-tax result excluding the impact of investment volatility, economic assumption changes caused by changes in market conditions or expectations, and exceptional items. Adjusted operating profit for insurance contracts primarily reflects the release of profit from the CSM and RA in the period (adjusted for reinsurance mismatches), the unwind of the discount rate used in the calculation of the insurance liabilities and incurred expenses that are not directly attributable to the insurance contracts.

Reinsurance mismatches can arise where the reinsurance offset rules in IFRS 17 do not reflect management's view of the net of reinsurance transaction. In particular, during a year of reinsurance renegotiation, reinsurance gains cannot be recognised to offset any inception losses on the underlying contracts where they are recognised before the new reinsurance agreement is signed. In these circumstances, the onerous contract losses are reduced to reflect the net loss (if any) after reinsurance, and future CSM amortisation is reduced over the duration of the contracts. Additionally, in some circumstances, profitable reinsurance does not mitigate onerous losses on gross contracts whilst the net position remains profitable. Where this is the case, onerous contract profits or losses are also presented below operating profit and the CSM amortisation is adjusted over the remaining duration of the contracts.

To remove investment volatility, adjusted operating profit reflects long-term expected investment returns on the substantial majority of investments held by the Group, including both traded and private market investments. For the remainder of the asset portfolio, including certain operational businesses in the Asset Management division and, up to its disposal on 31 October 2024, Cala, no adjustments are made to exclude investment volatility. The investment margin for insurance business therefore reflects the expected investment return above the unwind of the insurance liability discount rate.

The long-term expected investment return reflects the best estimate of the long-term return at the start of the year, as follows:

- Expected returns for traded equity, commercial property and residential property (including lifetime mortgages) are based on market consensus forecasts and long-term historic average returns expected to apply through the cycle.
- Assumptions for fixed interest securities measured at FVTPL are based on asset yields for the assets held, less an adjustment for credit risk (assessed on a best estimate basis). Where securities are measured at amortised cost or FVOCI, the expected investment return comprises interest income on an effective interest rate basis.
- For other private market and non-traded assets, the expected return assumption is set in line with our investment objectives. Rates of return specific to each asset are determined at the point of underwriting and reviewed and updated annually. The expected investment return includes current financial assumptions as well as sector specific assumptions, including retail and commercial property yields and power prices where appropriate.

Variances between actual and long-term expected investment returns are excluded from adjusted operating profit, as are economic assumption changes to insurance contract liabilities caused by movements in market conditions or expectations (e.g. credit default and inflation), and any difference between the actual allocated asset mix and the target long-term asset mix on new pension risk transfer business. Assets held for future new pension risk transfer business are excluded from the asset portfolio used to determine the discount rate for annuities on insurance contract liabilities. The impact of investment management actions that optimise the yield of the assets backing the back book of annuity contracts is included within adjusted operating profit.

Exceptional income and expenses which arise outside the normal course of business in the year, such as merger and acquisition and start-up costs, are excluded from adjusted operating profit.

Note 2.02 Operating profit reconciles adjusted operating profit with its closest IFRS measure, which is profit before tax attributable to equity holders. Further details on reconciling items between adjusted operating profit and profit before tax attributable to equity holders are presented in Note 2.05 Investment and other variances.

Alternative Performance Measures

Core operating profit

Core operating profit is an APM that measures the operating performance of the Group's core business and is calculated as the Group's adjusted operating profit excluding the operating profit of the Corporate Investments unit. Following the announcement of the planned disposal of the Group's US insurance entity, core operating profit also excludes the results of the Group's Non-retained US business, being the US protection business and 20% of the US PRT business, but therefore includes the 80% of the US PRT business that will be retained through reinsurance arrangements with Meiji Yasuda. This measure is considered to be relevant for stakeholders in addition to adjusted operating profit, as it focuses on appraising the performance of those areas of the business that management considers to be key to achieving the Group's strategy.

Note 2.02 Operating profit provides a breakdown of adjusted operating profit and identifies what is represented by core operating profit in line with the definition above.

Core operating earnings per share (Core operating EPS)

Core operating EPS is calculated as core operating profit less coupon payable in respect of restricted Tier 1 convertible notes, all after allocated tax at the standard UK corporate tax rate, divided by the weighted average number of shares outstanding during the year. This APM is therefore a measure of the performance of the Group, on an after allocated tax basis, excluding the contribution of the Corporate Investments unit and the impact of investment volatility, economic assumption changes caused by changes in market conditions or expectations, and exceptional items.

Note 2.07 reconciles core operating EPS to basic EPS.

Return on Equity (ROE)

ROE measures the return earned by shareholders on shareholder capital retained within the business. It is a measure of performance of the business, which shows how efficiently we are using our financial resources to generate a return for shareholders. ROE is calculated as IFRS profit after tax divided by average IFRS shareholders' funds (by reference to opening and closing equity attributable to the owners of the parent as provided in the IFRS Consolidated statement of changes in equity for the period). In the current period, ROE was quantified using annualised profit attributable to equity holders of £632m (30 June 2024: £446m; 31 December 2024: £191m) and average equity attributable to the owners of the parent of £2,485m (30 June 2024: £3,897m; 31 December 2024: £3,692m), based on an opening balance of £3,053m and a closing balance of £1,916m (30 June 2024: based on an opening balance of £4,331m and a closing balance of £3,463m; 31 December 2024: based on an opening balance of £4,331m and a closing balance of £3,053m).

Operating Return on Equity (Operating ROE)

Operating ROE is calculated as the Group's adjusted operating profit after allocated tax at the standard UK corporate tax rate divided by average IFRS shareholders' funds (by reference to opening and closing equity attributable to the owners of the parent as provided in the IFRS Consolidated statement of changes in equity for the period). It therefore measures the after allocated tax return for shareholders generated by the Group, excluding the impact of investment volatility, economic assumption changes caused by changes in market conditions or expectations, and exceptional items. In the current period, operating ROE was quantified using annualised adjusted operating profit after tax of £1,358m (30 June 2024: £1,380m; 31 December 2024: £1,283m) and average equity attributable to the owners of the parent of £2,485m (30 June 2024: £3,897m; 31 December 2024: £3,692m), based on an opening balance of £3,053m and a closing balance of £1,916m (30 June 2024: based on an opening balance of £4,331m and a closing balance of £3,463m; 31 December 2024: based on an opening balance of £4,331m and a closing balance of £3,053m).

Assets under Management (AUM)

Assets under management represent funds which are managed by our fund managers on behalf of investors. It represents the total amount of money investors have trusted with our fund managers to invest across our investment products. AUM include assets which are reported in the Group Consolidated Balance Sheet as well as third-party assets that Asset Management manage on behalf of others, and assets managed by third parties on behalf of the Group. AUM also includes external assets managed by fund managers classified as associates and joint ventures in line with IAS 28, 'Investments in Associates and Joint Ventures'.

Note 5.03 Reconciliation of assets under management to Consolidated Balance Sheet reconciles Total AUM with Total financial investments, investment property and cash and cash equivalents.

Adjusted profit before tax attributable to equity holders

Adjusted profit before tax attributable to equity holders is equal to profit before tax attributable to equity holders plus the pre-tax results of discontinued operations.

Note 2.02 Operating profit reconciles adjusted profit before tax attributable to equity holders to profit for the period.

Alternative Performance Measures

APMs derived from Solvency II measures

The Group is required to measure and monitor its capital resources on a regulatory basis and to comply with the minimum capital requirements of regulators in each territory in which it operates. At a Group level, L&G complies with the UK implementation of Solvency II regulations, as implemented by the PRA Rulebook.

Solvency II surplus

Solvency II surplus is the excess of Eligible Own Funds over the Solvency Capital Requirements. It represents the amount of capital available to the Group in excess of that required to sustain it in a 1-in-200 year risk event. The Group's Solvency II surplus is based on approvals from the PRA to use a Partial Internal Model, Matching Adjustment and Transitional Measures on Technical Provisions (TMTP).

Differences between the Solvency II surplus and its related regulatory basis include the impact of unaudited profits (or losses) of financial firms, which are excluded from regulatory Own Funds. This view of Solvency II is considered to be representative of the shareholder risk exposure and the Group's real ability to cover the Solvency Capital Requirement (SCR) with Eligible Own Funds.

Further details on Solvency II surplus and its calculation are included in Note 6.01 Group regulatory capital – Solvency II. This note also includes a reconciliation between IFRS equity and Solvency II Own Funds.

Solvency II capital coverage ratio

Solvency II capital coverage ratio is one of the indicators of the Group's balance sheet strength. It is determined as Eligible Own Funds divided by the SCR, and therefore represents the number of times the SCR is covered by Eligible Own Funds. The Group's Solvency II capital coverage ratio is based on approvals from the PRA to use a Partial Internal Model, Matching Adjustment and TMTP.

Differences between the Solvency II capital coverage ratio and its related regulatory basis include the impact of unaudited profits (or losses) of financial firms, which are excluded from regulatory Own Funds. This view of Solvency II is considered to be representative of the shareholder risk exposure and the Group's real ability to cover the SCR with Eligible Own Funds.

Further details on Solvency II capital coverage ratio and its calculation are included in Note 6.01 Group regulatory capital – Solvency II.

Solvency II operational surplus generation

Solvency II operational surplus generation is the expected surplus generated from the assets and liabilities in-force at the start of the year. It is based on assumed real world returns and best estimate non-market assumptions, and it includes the impact of management actions to the extent that, at the start of the year, these were reasonably expected to be implemented over the year.

It excludes operating variances, such as the impact of experience variances, changes to valuation assumptions, methodology changes and other management actions including changes in asset mix. It also excludes market movements, which represent the impact of changes in investment market conditions during the period and changes to future economic assumptions. The Group considers this measure meaningful to stakeholders as it enhances the understanding of its operating performance over time and serves as an indicator on the longer-term components of the movements in the Group's Solvency II surplus.

Note 6.01 Group regulatory capital – Solvency II includes an analysis of change for the Group's Solvency II surplus, showing the contribution of Solvency II operational surplus generation as well as other items to the Solvency II surplus during the reporting period.

Glossary

* These items represent an alternative performance measure (APM).

Adjusted operating profit*

Refer to the alternative performance measures section.

Adjusted profit before tax attributable to equity holders*

Refer to the alternative performance measures section.

Alternative performance measures (APMs)

A financial measure of historic or future financial performance, financial position, or cash flows, other than a financial measure defined under IFRS or the regulations of Solvency II.

Annual premiums

Premiums that are paid regularly over the duration of the contract such as protection policies.

Annualised net new revenue (ANNR)

ANNR provides an insight into the revenue growth of an asset manager, excluding the impact of investment markets. It reflects the combined effect of inflows and outflows to assets under management and the fee rates on those flows. ANNR in respect of acquisitions and disposals will be considered on a case by case basis.

ANNR is calculated as the annualised revenue on new monies invested by our Asset Management clients in the year, minus the annualised revenue on existing monies divested by our clients in the year, plus or minus the annualised revenue on switches between asset classes/strategies by our clients in the year. Annualised revenue is the amount of investment management fees we would expect on the fund flow in one calendar year.

Annuity

Regular payments from an insurance company made for an agreed period of time (usually up to the death of the recipient) in return for either a cash lump sum or a series of premiums which the policyholder has paid to the insurance company during their working lifetime.

Assets under administration (AUA)

Assets administered by L&G, which are beneficially owned by clients and are therefore not reported on the Consolidated Balance Sheet. Services provided in respect of assets under administration are of an administrative nature, including safekeeping, collecting investment income, settling purchase and sales transactions and record keeping.

Assets under management (AUM)*

Refer to the alternative performance measures section.

Assured Payment Policy (APP)

A long-term contract under which the policyholder (a registered UK pension scheme) pays a day-one premium and in return receives a contractually fixed and/or inflation-linked set of payments over time from the insurer.

Back book acquisition

New business transacted with an insurance company which allows the business to continue to utilise Solvency II transitional measures associated with the business.

CAGR

Compound annual growth rate.

Calculation Method 2

A method of calculating Group solvency on a Solvency II basis, whereby the assets and liabilities of certain entities are excluded from the Group consolidation. The net contribution from those entities to Group Own Funds is included as an asset on the Group's Solvency II balance sheet. Regulatory approval has been provided to recognise the (re)insurance subsidiaries in the US and Bermuda on this basis.

Common Contractual Fund (CCF)

An Irish regulated asset pooling fund structure. It enables institutional investors to pool assets into a single fund vehicle with the aim of achieving cost savings, enhanced returns and operational efficiency through economies of scale. A CCF is an unincorporated body established under a deed where investors are "co-owners" of underlying assets which are held pro rata with their investment. The CCF is authorised and regulated by the Central Bank of Ireland.

Glossary

Contract boundaries

Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums or has a substantive obligation to provide the policyholder with insurance contract services.

Contractual Service Margin (CSM)

The CSM represents the unearned profit the Group will recognise for a group of insurance contracts, as it provides services under the insurance contract. It is a component of the asset or liability for the contracts, and it results in no income or expense arising from initial recognition of an insurance contract. Therefore, together with the risk adjustment, the CSM provides a view of both stored value of our in-force insurance business, and the growth derived from new business in the current year. A CSM is not set up for groups of contracts assessed as onerous.

The CSM is released as profit as the insurance services are provided.

Core operating earnings per share (Core operating EPS)*

Refer to the alternative performance measures section.

Core operating profit*

Refer to the alternative performance measures section.

Coverage Period

The period during which the Group provides insurance contract services. This period includes the insurance contract services that relate to all premiums within the boundary of the insurance contract.

Credit rating

A measure of the ability of an individual, organisation or country to repay debt. The highest rating is usually AAA. Ratings are usually issued by a credit rating agency (e.g. Moody's or Standard & Poor's) or a credit bureau.

Defined benefit pension scheme (DB scheme)

A type of pension plan in which an employer/sponsor promises a specified monthly benefit on retirement that is predetermined by a formula based on the employee's earnings history, tenure of service and age, rather than depending directly on individual investment returns.

Defined contribution pension scheme (DC scheme)

A type of pension plan where the pension benefits at retirement are determined by agreed levels of contributions paid into the fund by the member and employer. They provide benefits based upon the money held in each individual's plan specifically on behalf of each member. The amount in each plan at retirement will depend upon the investment returns achieved as well as the member and employer contributions.

Derivatives

Contracts usually giving a commitment or right to buy or sell assets on specified conditions, for example on a set date in the future and at a set price. The value of a derivative contract can vary. Derivatives can generally be used with the aim of enhancing the overall investment returns of a fund by taking on an increased risk, or they can be used with the aim of reducing the amount of risk to which a fund is exposed.

Direct investments

Direct investments, which generally constitute an agreement with another party, represent an exposure to untraded and often less volatile asset classes. Direct investments also include physical assets, bilateral loans and private equity, but exclude hedge funds.

Earnings per share (EPS)

A common financial metric which can be used to measure the profitability and strength of a company over time. It is calculated as total shareholder profit after tax divided by the weighted average number of shares outstanding during the year.

Eligible Own Funds

The capital available to cover the Group's Solvency Capital Requirement. Eligible Own Funds comprise the excess of the value of assets over liabilities, as valued on a Solvency II basis, plus high quality hybrid capital instruments, which are freely available (fungible and transferable) to absorb losses wherever they occur across the Group.

Employee satisfaction index

The Employee satisfaction index measures the extent to which employees report that they are happy working at L&G. It is measured as part of our Voice surveys, which also include questions on commitment to the goals of L&G and the overall success of the Group.

ETF

Our Asset Management division's European Exchange Traded Fund platform.

Glossary

Euro Commercial Paper

Short-term borrowings with maturities of up to 1 year typically issued for working capital purposes.

Expected credit losses (ECL)

For financial assets measured at amortised cost or FVOCI, a loss allowance defined as the present value of the difference between all contractual cash flows that are due, and all cash flows expected to be received (i.e. the cash shortfall), weighted based on their probability of occurrence.

Fair value through other comprehensive income (FVOCI)

A financial asset that is measured at fair value in the Consolidated Balance Sheet and reports gains and losses arising from movements in fair value within the Consolidated Statement of Comprehensive Income as part of the total comprehensive income or expense for the year.

Fair value through profit or loss (FVTPL)

A financial asset or financial liability that is measured at fair value in the Consolidated Balance Sheet and reports gains and losses arising from movements in fair value within the Consolidated Income Statement as part of the profit or loss for the year.

Fulfilment cash flows

Fulfilment cash flows comprise unbiased and probability-weighted estimates of future cash flows, discounted to present value to reflect the time value of money and financial risks, plus the risk adjustment for non-financial risk.

Full year dividend

Full year dividend is the total dividend per share declared for the year (including interim dividend but excluding, where appropriate, any special dividend).

Generally accepted accounting principles (GAAP)

A widely accepted collection of guidelines and principles, established by accounting standard setters and used by the accounting community to report financial information.

Institutional Retirement new business

Single premiums arising from pension risk transfers and the notional size of longevity insurance transactions, based on the present value of the fixed leg cash flows discounted at the SONIA curve.

Insurance new business

New business arising from new policies written on Retail protection products and new deals and incremental business on Group protection products.

Irish Collective Asset-Management Vehicle (ICAV)

A legal structure investment fund, based in Ireland and aimed at European investment funds looking for a simple, tax-efficient investment vehicle.

Key performance indicators (KPIs)

These are measures by which the development, performance or position of the business can be measured effectively. The Group Board reviews the KPIs annually and updates them where appropriate.

LGA

Legal & General America.

LGAS

Legal and General Assurance Society Limited.

Liability driven investment (LDI)

A form of investing in which the main goal is to gain sufficient assets to meet all liabilities, both current and future. This form of investing is most prominent in final salary pension plans, whose liabilities can often reach into billions of pounds for the largest of plans.

Lifetime mortgages

An equity release product aimed at people aged 55 years and over. It is a mortgage loan secured against the customer's house. Customers do not make any monthly payments and continue to own and live in their house until they move into long-term care or on death. A no negative equity guarantee exists such that if the house value on repayment is insufficient to cover the outstanding loan, any shortfall is borne by the lender.

Longevity

Measure of how long policyholders will live, which affects the risk profile of pension risk transfer, annuity and protection businesses.

Glossary

Matching adjustment

An adjustment to the discount rate used for annuity liabilities in Solvency II balance sheets. This adjustment reflects the fact that the profile of assets held is sufficiently well-matched to the profile of the liabilities, that those assets can be held to maturity, and that any excess return over risk-free (that is not related to defaults or downgrades) can be earned regardless of asset value fluctuations after purchase.

Morbidity rate

Rate of illness, influenced by age, gender and health, used in pricing and calculating liabilities for policyholders of life products, which contain morbidity risk.

Mortality rate

Rate of death, influenced by age, gender and health, used in pricing and calculating liabilities for future policyholders of life and annuity products, which contain mortality risks.

Net zero carbon

Achieving an overall balance between anthropogenic carbon emissions produced and carbon emissions removed from the atmosphere.

Non-retained US business

Non-retained US business represents the Group's US protection business and 20% of the Group's US PRT business. These businesses are not covered by the new reinsurance arrangement to be established as a result of the sale of the US insurance entity, therefore the Group will not retain exposure to them post completion of the disposal.

Onerous contracts

An insurance contract is onerous at the date of initial recognition if the fulfilment cash flows allocated to the contract, any previously recognised acquisition cash flows and any cash flows arising from the contract at the date of initial recognition, in total are a net outflow.

Open Ended Investment Company (OEIC)

A type of investment fund domiciled in the United Kingdom that is structured to invest in stocks and other securities, authorised and regulated by the Financial Conduct Authority (FCA).

Operating Return on Equity (Operating ROE)*

Refer to the alternative performance measures section.

Overlay assets

Derivative assets that are managed alongside the physical assets held by Asset Management. These instruments include interest rate swaps, inflation swaps, equity futures and options. These are typically used to hedge risks associated with pension scheme assets during the derisking stage of the pension life cycle.

Paris Agreement

An agreement within the United Nations Framework Convention on Climate Change effective 4 November 2016. The Agreement aims to limit the increase in average global temperatures to well below 2°C, preferably to 1.5°C, compared to pre-industrial levels.

Pension risk transfer (PRT)

Bulk annuities bought by entities that run final salary pension schemes to reduce their responsibilities by closing the schemes to new members and passing the assets and obligations to insurance providers.

Persistency

For insurance, persistency is a measure of the rate at which policies are retained over time and therefore continue to contribute premium income and assets under management.

Platform

Online services used by intermediaries and consumers to view and administer their investment portfolios. Platforms usually provide facilities for buying and selling investments (including, in the UK products such as Individual Savings Accounts (ISAs), Self-Invested Personal Pensions (SIPPs) and life insurance) and for viewing an individual's entire portfolio to assess asset allocation and risk exposure.

Present value of future new business premiums (PVNBP)

PVNBP is equivalent to total single premiums plus the discounted value of annual premiums expected to be received over the term of the contracts using the same economic and operating assumptions used for the new business value at the end of the financial period. The discounted value of longevity insurance regular premiums and quota share reinsurance single premiums are calculated on a net of reinsurance basis to enable a more representative margin figure. PVNBP therefore provides an estimate of the present value of the premiums associated with new business written in the year.

Glossary

Private Markets

Private Markets encompass a wide variety of tangible debt and equity investments, primarily real estate, infrastructure and energy. They have the ability to serve as stable sources of long-term income in weak markets, while also providing capital appreciation opportunities in strong markets.

Proprietary assets

Total investments to which shareholders are directly exposed, minus derivative assets, loans, and cash and cash equivalents.

Qualifying Investor Alternative Investment Fund (QIAIF)

An alternative investment fund regulated in Ireland targeted at sophisticated and institutional investors, with minimum subscription and eligibility requirements. Due to not being subject to many investment or borrowing restrictions, QIAIFs present a high level of flexibility in their investment strategy.

Retail Retirement new business

Single premiums arising from annuity sales and individual annuity back book acquisitions and the volume of lifetime and retirement interest only mortgage lending.

Retirement Interest Only Mortgage (RIO)

A standard retirement mortgage available for non-commercial borrowers above 55 years old. A RIO mortgage is very similar to a standard interest-only mortgage, with two key differences:

- the loan is usually only paid off on death, move into long-term care or sale of the house
 - the borrowers only have to prove they can afford the monthly interest repayments and not the capital remaining at the end of the mortgage term.
- No repayment solution is required as repayment defaults to sale of property.

Return on Equity (ROE)*

Refer to the alternative performance measures section.

Risk adjustment (RA)

The risk adjustment reflects the compensation that the Group would require for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk after diversification. We have calibrated the Group's risk adjustment using a Value at Risk (VAR) methodology. In some cases, the compensation for risk on reinsured business is linked directly to the price paid for reinsurance. The risk adjustment is a component of the insurance contract liability, and it is released as profit if experience plays out as expected.

Risk appetite

The aggregate level and types of risk a company is willing to assume in its exposures and business activities in order to achieve its business objectives.

Single premiums

Single premiums arise on the sale of new contracts where the terms of the policy do not anticipate more than one premium being paid over its lifetime, such as in individual and bulk annuity deals.

Société d'Investissement à Capital Variable (SICAV)

A publicly traded open-end investment fund structure offered in Europe and regulated under European law.

Solvency II

The Group measures its capital resources in line with the UK implementation of Solvency II regulations, as set out in the PRA Rulebook. The UK implementation of the Solvency II regulations determines the amount of capital that UK insurance companies must hold to ensure that they can withstand a 1-in-200 year level of risk. The regulations became effective from 31 December 2024. The previous Solvency II regulations applied from 1 January 2016, as implemented by EIOPA in the Solvency II Framework Directive, and adopted by the UK.

Solvency II capital coverage ratio*

Refer to the alternative performance measures section.

Solvency II capital coverage ratio – regulatory basis

The Eligible Own Funds on a regulatory basis divided by the Group solvency capital requirement. This represents the number of times the SCR is covered by Eligible Own Funds.

Solvency II Fundamental Spread

An amount used in the derivation of the Matching Adjustment. It represents the portion of the spread on a financial instrument that is attributable to the risks of default and downgrade. Prescribed Fundamental Spreads varying by credit rating and currency are provided by PRA. As part of the UK implementation of Solvency II regulations, insurance groups and firms are required to apply an additional Fundamental Spread where the regulatory amounts are believed to be insufficient to reflect all risks in a financial instrument.

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Solvency II new business contribution

Reflects present value at the point of sale of expected future Solvency II surplus emerging from new business written in the period using the risk discount rate applicable at the end of the reporting period.

Solvency II Operational Surplus Generation*

Refer to the alternative performance measures section.

Solvency II risk margin

An additional liability required in the Solvency II balance sheet, to ensure the total value of technical provisions is equal to the current amount a (re)insurer would have to pay if it were to transfer its insurance and reinsurance obligations immediately to another (re)insurer. The value of the risk margin represents the cost of providing an amount of Eligible Own Funds equal to the Solvency Capital Requirement (relating to non-market risks) necessary to support the insurance and reinsurance obligations over the lifetime thereof.

Solvency II surplus*

Refer to the alternative performance measures section.

Solvency II surplus – regulatory basis

The excess of Eligible Own Funds on a regulatory basis over the SCR. This represents the amount of capital available to the company in excess of that required to sustain it in a 1-in-200 year risk event.

Solvency Capital Requirement (SCR)

The amount of Solvency II capital required to cover the losses occurring in a 1-in-200 year risk event.

Specialised Investment Fund (SIF)

An investment vehicle regulated in Luxembourg targeted to well-informed investors, providing a great degree of flexibility in organisation, investment policy and types of underlying assets in which it can invest.

Total shareholder return (TSR)

A measure used to compare the performance of different companies' stocks and shares over time. It combines the share price appreciation and dividends paid to show the total return to the shareholder.

Transitional Measures on Technical Provisions (TMTP)

An adjustment to Solvency II technical provisions, to smooth the transition from the previous regulatory regime to the Solvency II regime over a period of 16 years from 1 January 2016. The TMTP continues to be applied after the change to the UK implementation of Solvency II from 31 December 2024, with some changes to the approach to simplify the ongoing calculation.

Yield

A measure of the income received from an investment compared to the price paid for the investment. It is usually expressed as a percentage.