



YEAR END RESULTS

A PRESENTATION FROM LEGAL & GENERAL

5 March 2014

IMPROVING PEOPLE'S LIVES

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FORWARD LOOKING STATEMENTS.

This document may contain certain forward-looking statements relating to Legal & General Group, its plans and its current goals and expectations relating to future financial condition, performance and results. By their nature, forward-looking statements involve uncertainty because they relate to future events and circumstances which are beyond Legal & General's control, including, among others, UK domestic and global economic and business conditions, market related risks such as fluctuations in interest rates and exchange rates, the policies and actions of regulatory and Governmental authorities, the impact of competition, the timing impact of these events and other uncertainties of future acquisition or combinations within relevant industries. As a result, Legal & General Group's actual future condition, performance and results may differ materially from the plans, goals and expectations set out in these forward-looking statements and persons reading this announcement should not place reliance on forward-looking statements. These forward-looking statements are made only as at the date on which such statements are made and Legal & General Group Plc does not undertake to update forward-looking statements contained in this document or any other forward-looking statement it may make.

NIGEL WILSON.

GROUP CHIEF EXECUTIVE

WE KNOW **EVERY DAY MATTERS**
 AND WE NEVER FORGET **OUR SOCIAL**
PURPOSE WHICH SEES OUR DEDICATED
 PROFESSIONALS COMMITTED
 TO BRINGING **FINANCIAL SECURITY**
 TO **ALL OUR CUSTOMERS,** FROM
FIRST TO LAST TIME BUYERS,
 FROM THE WORLD'S LARGEST
 PENSION FUNDS TO THOSE ON A
DEADLINE TO **THE BREADLINE,**
 WE DELIVER **SOCIALLY USEFUL**
 PRODUCTS AND PROVIDE **VALUE**
TO ALL OUR CUSTOMERS.

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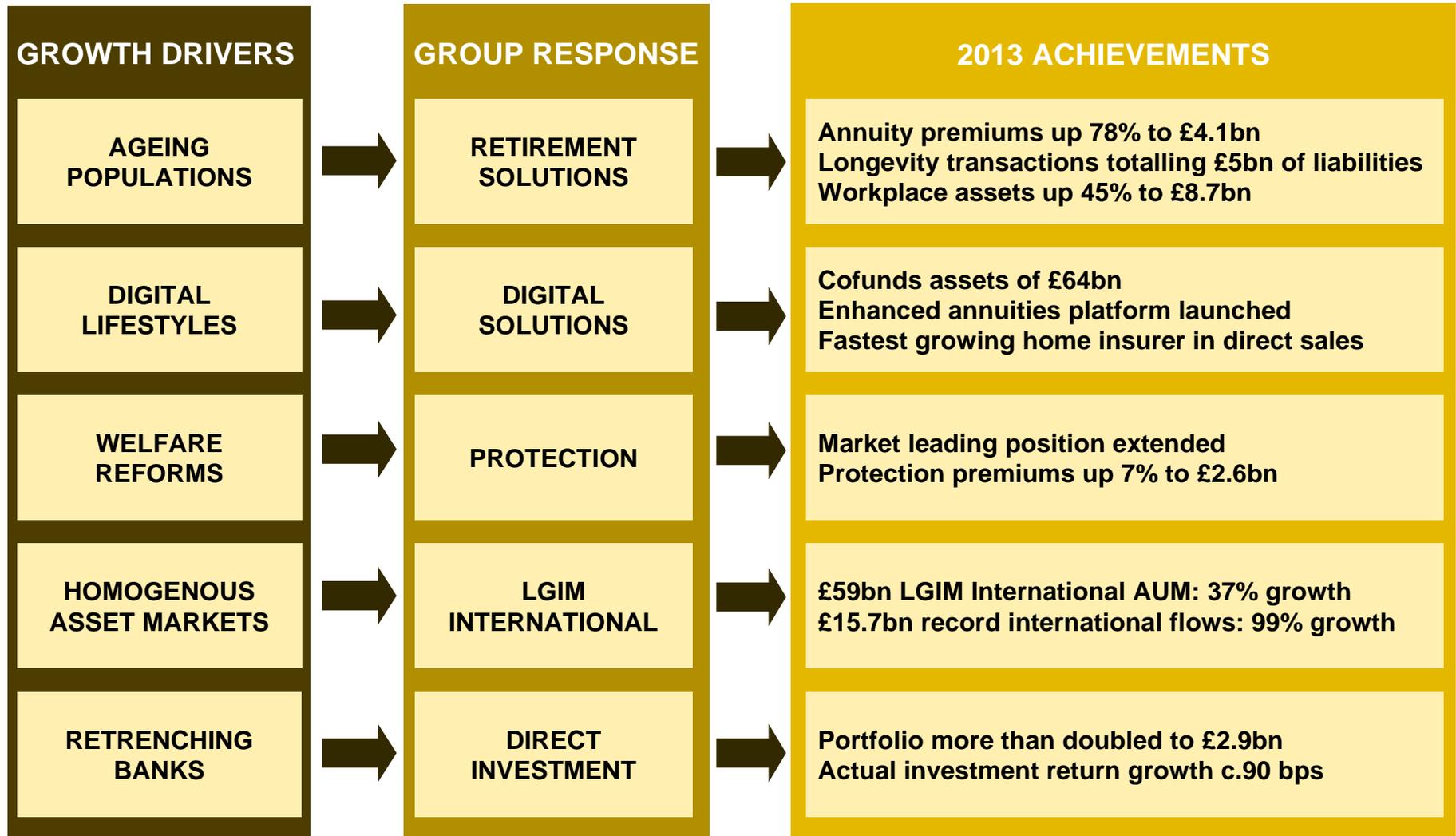
FINANCIAL HIGHLIGHTS.

1. **Net cash generation up 16% to £1,002m (2012: £865m)**
2. **Operational cash generation up 9% to £1,042m (2012: £958m)**
3. **Operating profit up 7% to £1,158m (2012: £1,087m)**
4. **Profit before tax up 10% to £1,134m (2012: £1,033m)**
5. **Profit after tax up 12% to £896m (2012: £798m)**
6. **Earnings per share up 10% to 15.20p (2012: 13.84p)**
7. **Return on equity 16.1% (2012: 15.4%)**
8. **Full year dividend up 22% to 9.30p per share (2012: 7.65p per share)**
9. **Net cash dividend cover 1.8 times (2012: 1.9 times)**

STRATEGIC & FINANCIAL EVOLUTION.

	2009 AND ONGOING	2012	2013 AND BEYOND
	CASH: CERTAINTY AND SUSTAINABILITY	CASH + ORGANIC GROWTH	CASH + ORGANIC GROWTH + SELECTIVE ACQUISITIONS
STRATEGIC PROGRESS	<ul style="list-style-type: none"> Industrialised and automated processes Cost of new business reduced Capital efficiency increased 	<ul style="list-style-type: none"> Identification of five key macro drivers of growth Banks and governments excessive leverage create 'white spaces' to expand into No burning platforms 	<ul style="list-style-type: none"> Continue to accelerate growth in flow to annuities, direct investment and LGIM Five bolt on acquisitions Measured international expansion Increased digital capability
ORGANISATIONAL PROGRESS	<ul style="list-style-type: none"> One firm with shared culture, beliefs, values Every Day Matters 	<ul style="list-style-type: none"> Expansion of key roles - improving talent Strengthening our social purpose 	<ul style="list-style-type: none"> Five major profit centres in our new operational structure Becoming a destination for talent
OUTCOMES	<ul style="list-style-type: none"> Net cash: 213% growth 2008: £320m 2013: £1,002m Dividend: 129% growth 2008: 4.06p 2013: 9.30p 	<ul style="list-style-type: none"> UK Individual annuities up 26% UK Protection up 25% US Protection up 28% Direct investments £1.4bn Workplace net inflows £1.6bn 	<ul style="list-style-type: none"> LGIM International AUM: £59bn UK longevity insurance: £5bn UK Savings Assets: £109bn including Cofunds acquisition Direct investments: £2.9bn 1.5 times target dividend cover
	Cost of 2013 dividend £550m	Return on equity 15.4%	Return on equity 16.1%

CLEAR STRATEGY, OUTSTANDING RESULTS.



DRIVING CASH AND DIVIDENDS.

WE HAVE REORGANISED OUR BUSINESS INTO 5 PROFIT CENTRES TO ACCELERATE GROWTH.

LEGAL & GENERAL RETIREMENT (LGR)	INVESTMENT MANAGEMENT (LGIM)	PROTECTION AND SAVINGS (LGAS)	LEGAL & GENERAL CAPITAL (LGC)	US PROTECTION (LGA)
KERRIGAN PROCTER, MD	MARK ZINKULA, CEO	JOHN POLLOCK, CEO	PAUL STANWORTH, MD	JIMMY ATKINS, CEO
<p>Leading UK annuity provider</p> <p>£34bn of annuity assets</p> <p>One million customers</p> <p>2013 net flows £2.1bn</p>	<p>Largest manager of UK pension fund assets</p> <p>£450bn of AUM: Index £270bn, Active £180bn</p> <p>Over 3,000 institutional clients globally</p> <p>£59bn international AUM, DC (£31bn), Retail (£19bn)</p> <p>2013 external net flows £9.3bn</p>	<p>UK number one provider of protection products £1.3bn of premiums.</p> <p>Over six million customers and over 8,000 corporate schemes</p> <p>£109bn of Savings assets, including Cofunds, largest UK investment platform at £64bn</p> <p>Growing GI business</p> <p>Presence in France and Netherlands</p>	<p>Implements Group's investment strategy - improve risk adjusted yield</p> <p>Substantial increase in direct and infrastructure investments to over £5bn</p> <p>£4.7bn shareholder assets</p>	<p>Number 3 term life provider in the US</p> <p>Gross premiums of \$1bn</p> <p>Over one million policies</p>



MARK GREGORY.

GROUP CHIEF FINANCIAL OFFICER

FINANCIAL RESULTS: STRONG DELIVERY

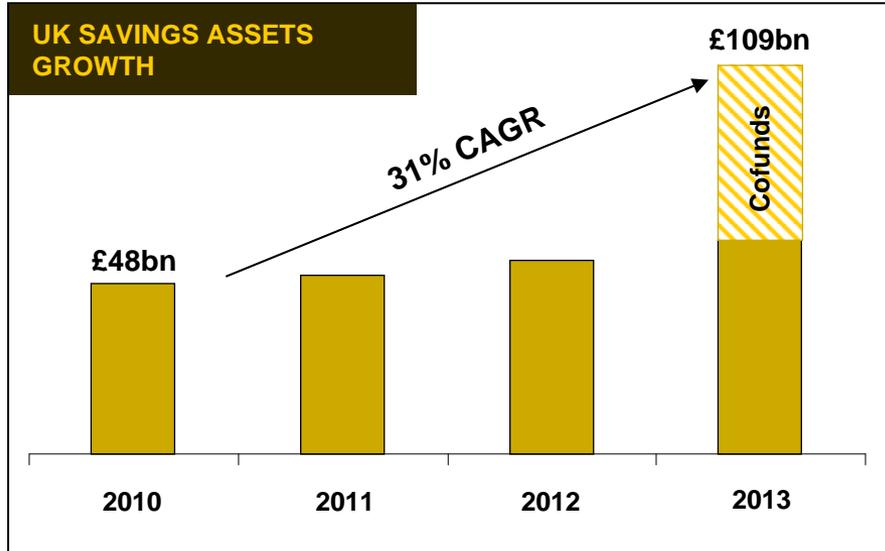
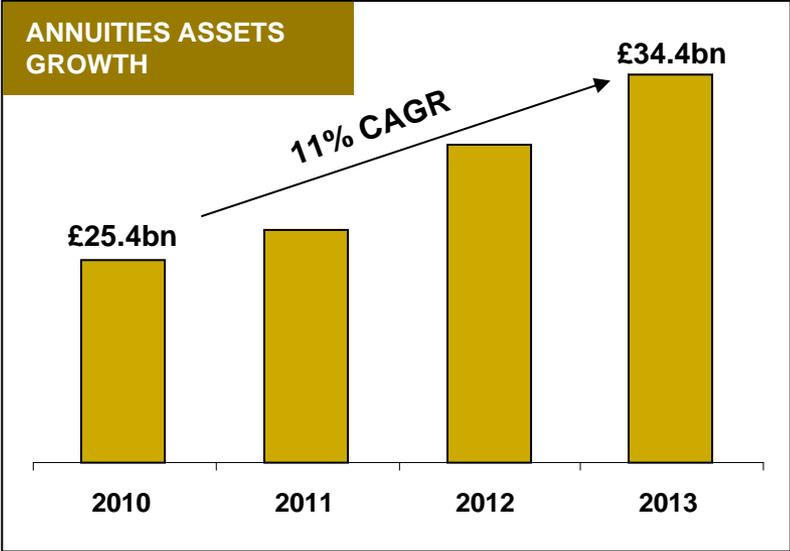
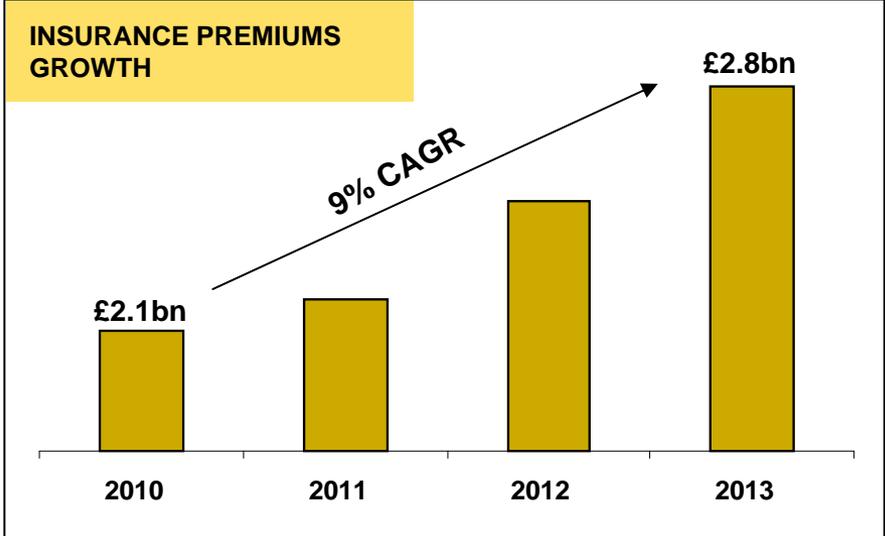
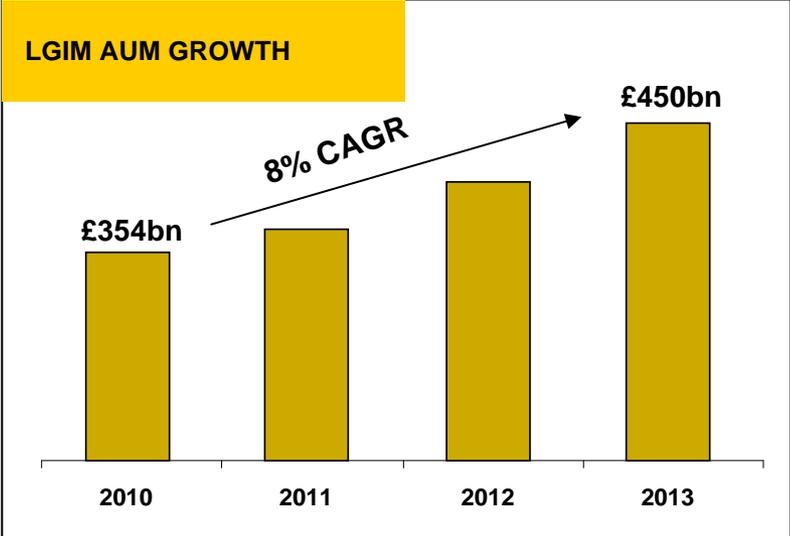
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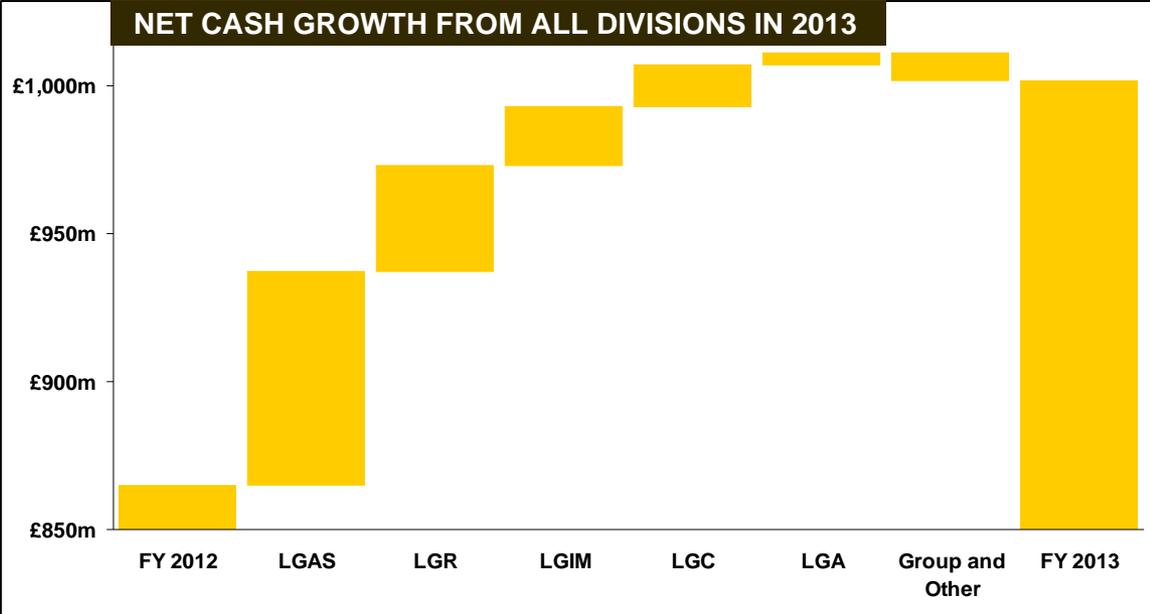
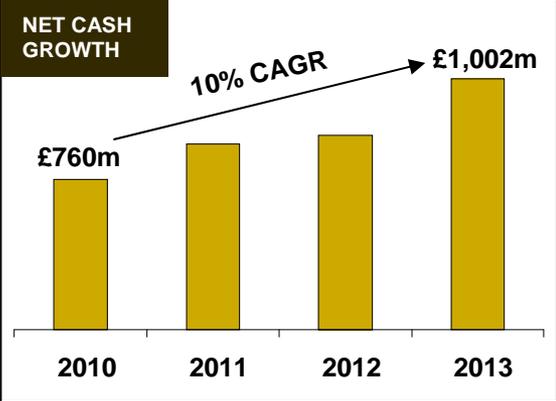
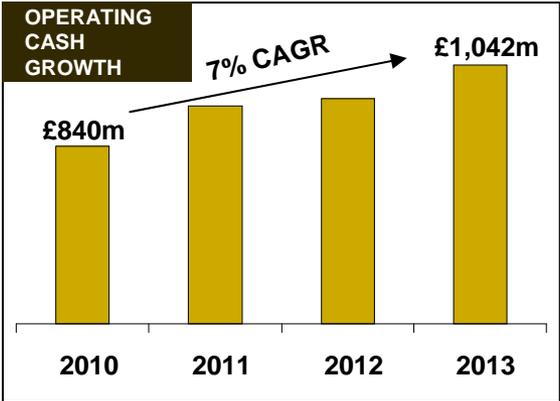
STRONG DELIVERY ON ALL KEY METRICS.

	2013	2012	GROWTH
GROWTH	LGIM external net flows (£bn)	9.3	5.3 ↑ 75%
	Annuity premiums (£bn)	4.1	2.3 ↑ 78%
	Savings net inflows (£bn)	6.8	0.1 ↑ n/a
	Insurance gross premiums (£bn)	2.8	2.5 ↑ 12%
	US Protection gross premiums (\$bn)	1.0	0.9 ↑ 11%
EARNINGS	Net cash generation (£m)	1,002	865 ↑ 16%
	Operating profit (£m)	1,158	1,087 ↑ 7%
	Profit before tax (£m)	1,134	1,033 ↑ 10%
	Earnings per share (pence)	15.20	13.84 ↑ 10%
	EEV per share (pence)	190	173 ↑ 10%
CAPITAL	IGD surplus (£bn)	4.0	4.1
	IGD coverage ratio (%)	222	234
	Return on equity (%)	16.1	15.4

DRIVING GROWTH: INCREASING STOCK.



NET CASH: INCREASING STOCK DRIVES GROWTH.



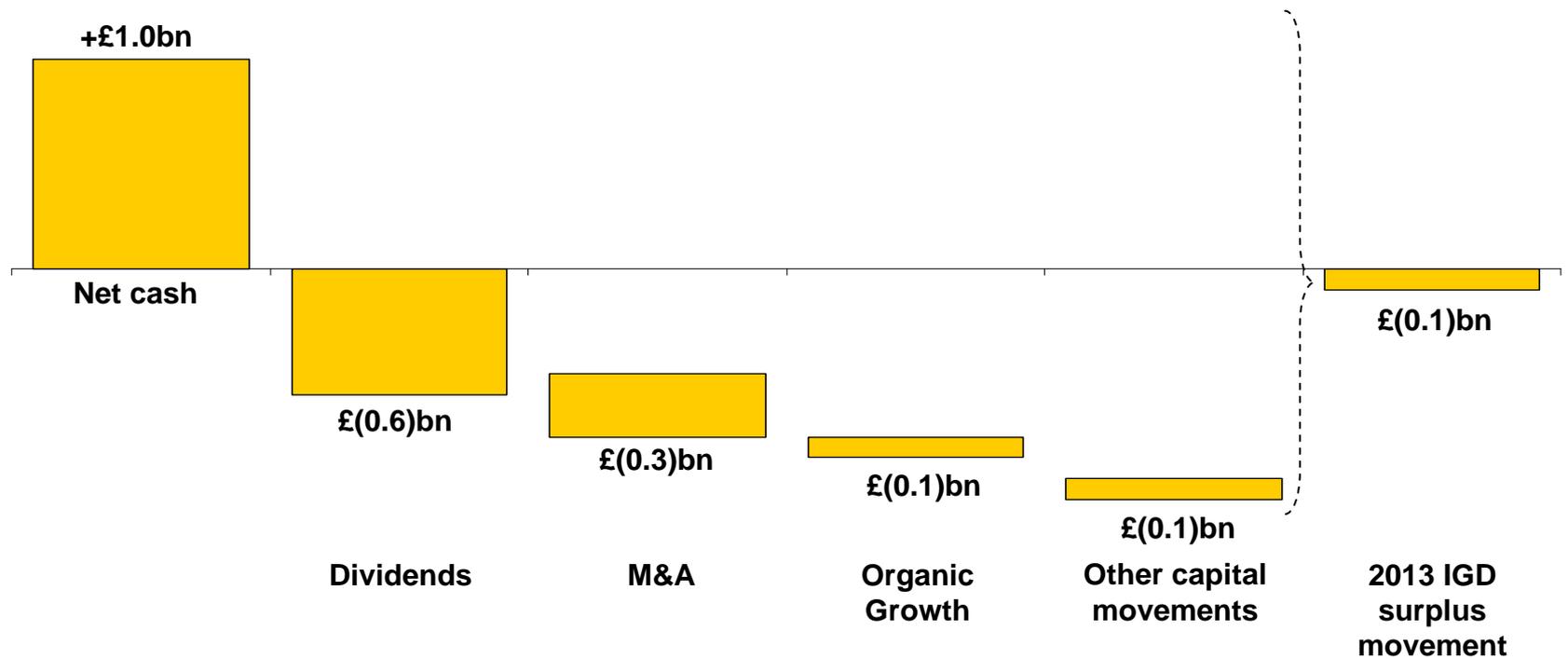
- 2013 increases from all areas:**
- Retail Protection: Strong H2 volumes; extending market leading position.
 - GI: Excellent combined operating ratio; benefitting from benign weather and operational efficiencies.
 - L&G Retirement: Step change in new business volumes; disciplined pricing.
 - LGIM: Increasing scale, international expansion and efficient cost base.
 - L&G Capital: Selective direct investments delivering superior returns.

HIGH QUALITY CASH GENERATION SUPPORTING DIVIDENDS.

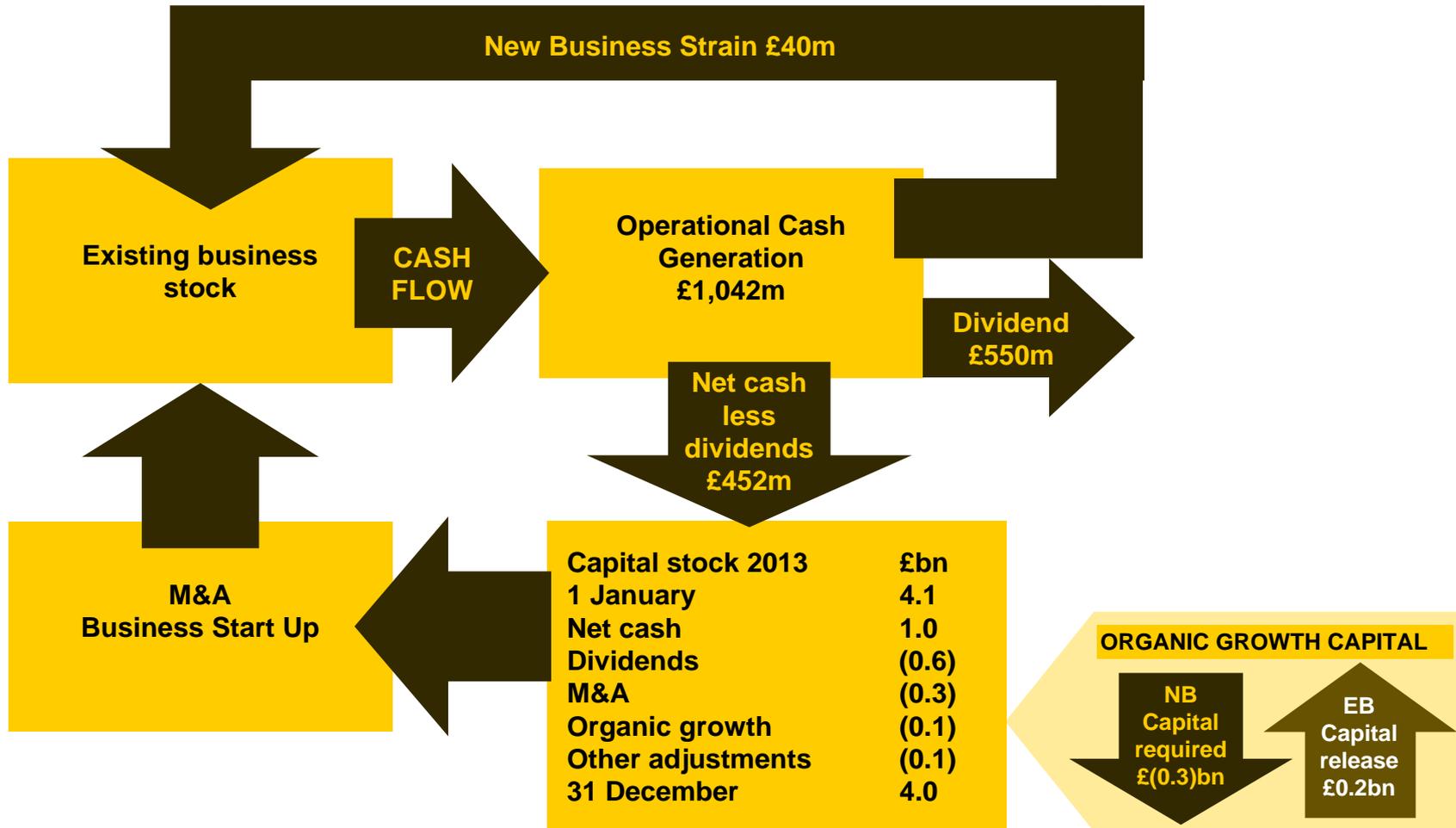
£m	NET CASH	DIVIDEND TO GROUP	DIVIDEND % CASH
PROTECTION AND SAVINGS (LGAS)	401	627	90%
LEGAL & GENERAL RETIREMENT (LGR)	293		
INVESTMENT MANAGEMENT (LGIM)	239	213	89%
US PROTECTION (LGA)	44	44	100%
LEGAL & GENERAL CAPITAL (LGC)	137		
GROUP DEBT AND OTHER EXPENSES	(112)		
TOTAL	1,002	884	88%

CAPITAL BEING DEPLOYED WHILST MAINTAINING BALANCE SHEET STRENGTH.

- Comfortable with IGD coverage reducing but remaining within preferred 175% - 225% range, over the longer term.
- Capital deployed on organic and non-organic growth opportunities in areas of strategic focus:



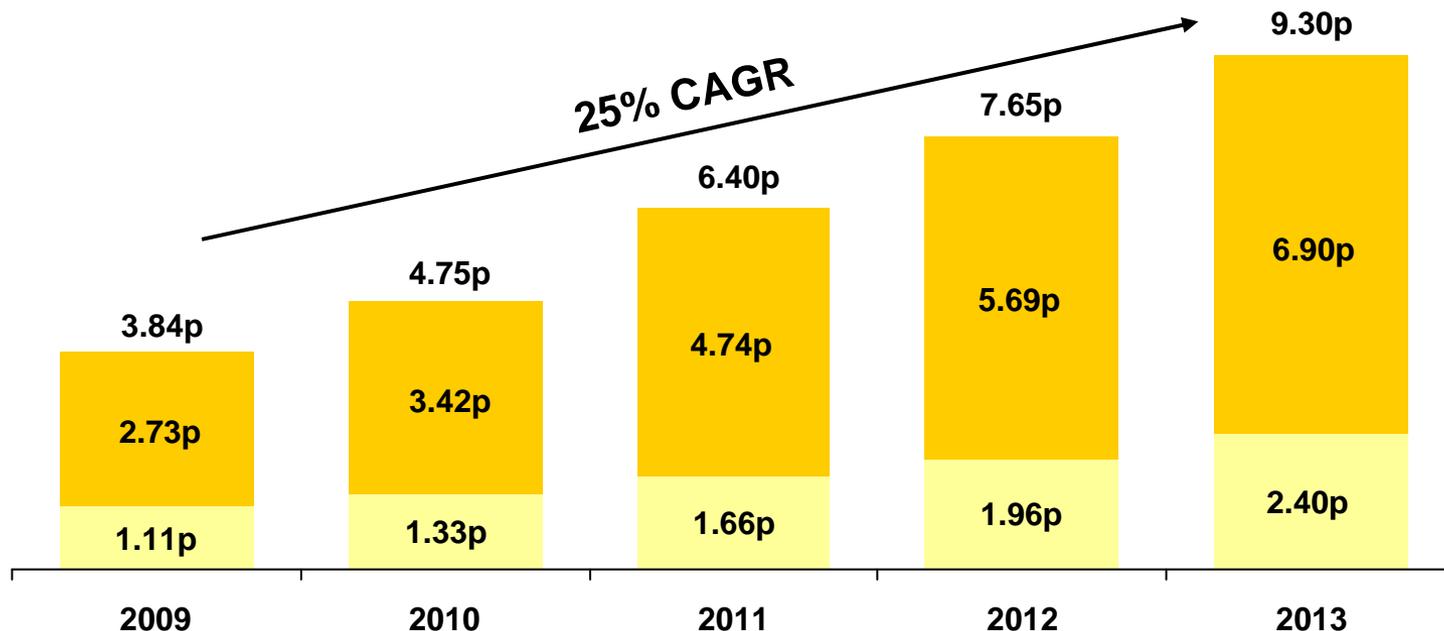
HOW WE USE CAPITAL AND CASH.



- We believe that the worst case Solvency II scenarios have been avoided.
- We currently anticipate that our Solvency II capital surplus will be no lower than our Solvency I IGD capital surplus.

FULL YEAR DIVIDEND UP 22% TO 9.30p.

NEW DIVIDEND GUIDANCE: Assuming we continue to anticipate a Solvency II surplus being no lower than Solvency I, we expect over the next two years to reduce our net cash coverage of dividend towards 1.5 times. We will provide dividend guidance for subsequent years when Solvency II clarity has emerged. The Board remains committed to a progressive dividend policy over the long term.



Net cash (£m)	699	760	846	865	1,002
Dividend (£m)	225	279	375	452	550
Dividend coverage ¹	3.11	2.72	2.26	1.91	1.82

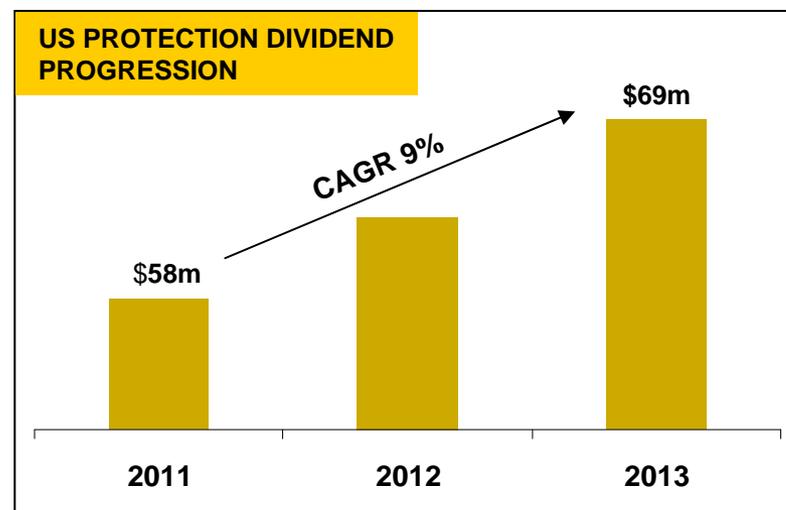
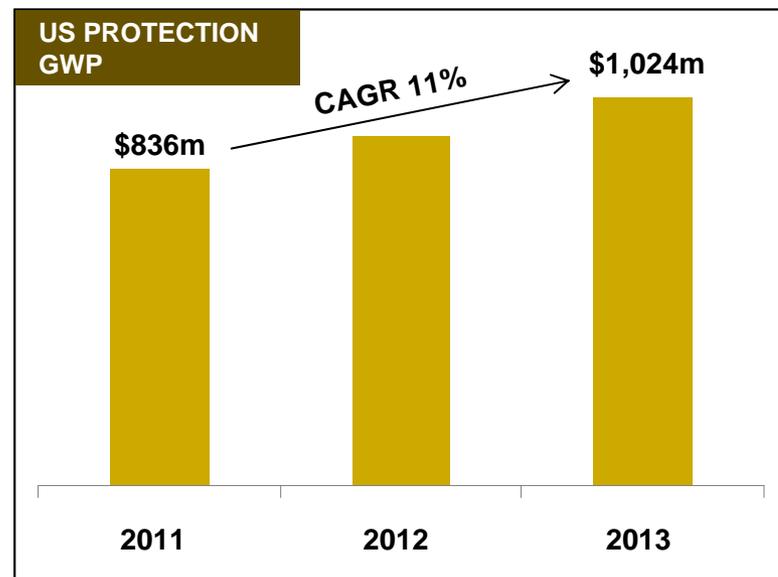
1. Dividend coverage based on net cash generation.

CONSISTENT FOCUS ON CASH GENERATION.

£m	2014 GUIDANCE	2013 OPERATIONAL CASH
LGAS ex. General Insurance	c.430	421
Legal & General Retirement	c.290	260
Legal & General America	c.45	44
SUB TOTAL	c.765	725
Legal & General Investment Management		239
Legal & General Capital		137
LGAS General Insurance		53
FROM DIVISIONS		1,154
Group debt and other expenses		(112)
TOTAL OPERATIONAL CASH		1,042
New business strain		(40)
TOTAL NET CASH		1,002

L&G AMERICA: GROWING CASH.

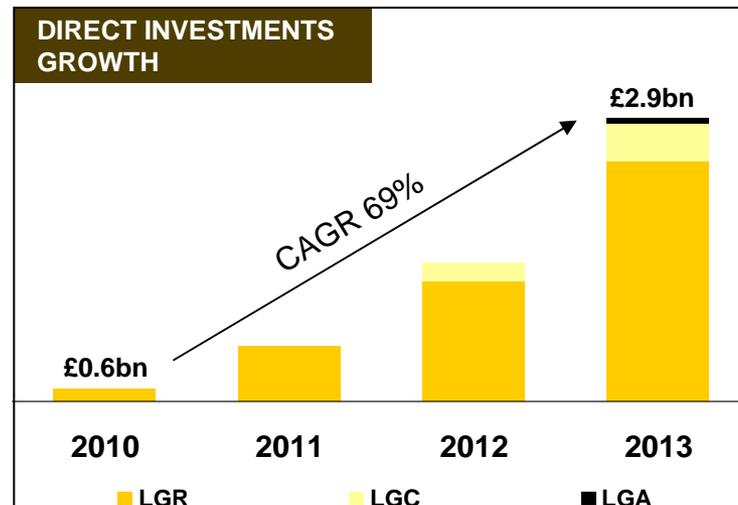
FINANCIAL HIGHLIGHTS US \$m	2013	2012
Net cash generation	69	63
Operating profit	145	156
APE	155	142
Term assurance premiums	887	786
Universal life premiums	137	136
TOTAL GROSS WRITTEN PREMIUMS	1,024	922



Note: Ordinary dividends of \$73m were paid in February 2014.

L&G CAPITAL: IMPROVING RETURNS.

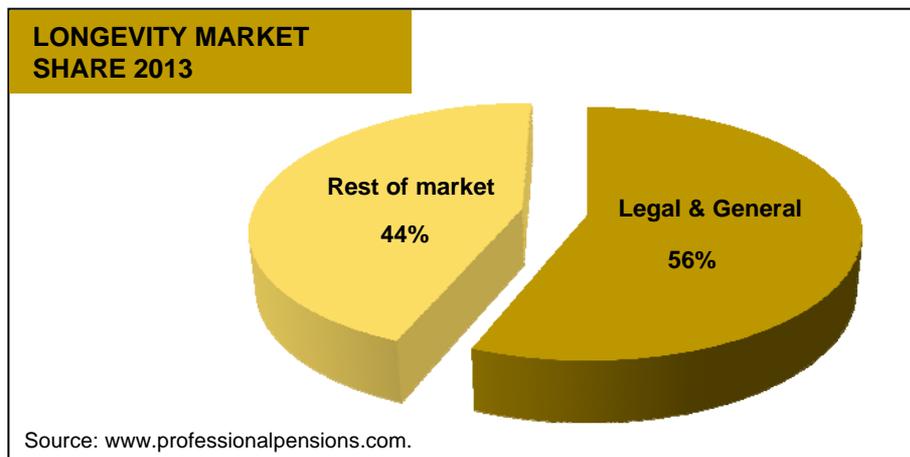
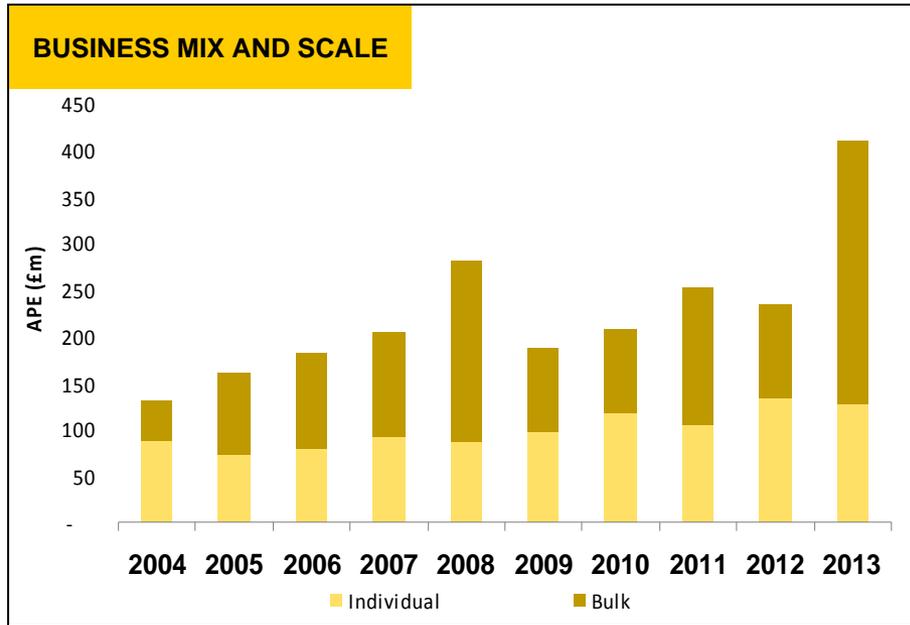
FINANCIAL HIGHLIGHTS £m	2013	2012
Operating profit	179	163
Net cash generation	137	123
Group investment variance	29	(23)



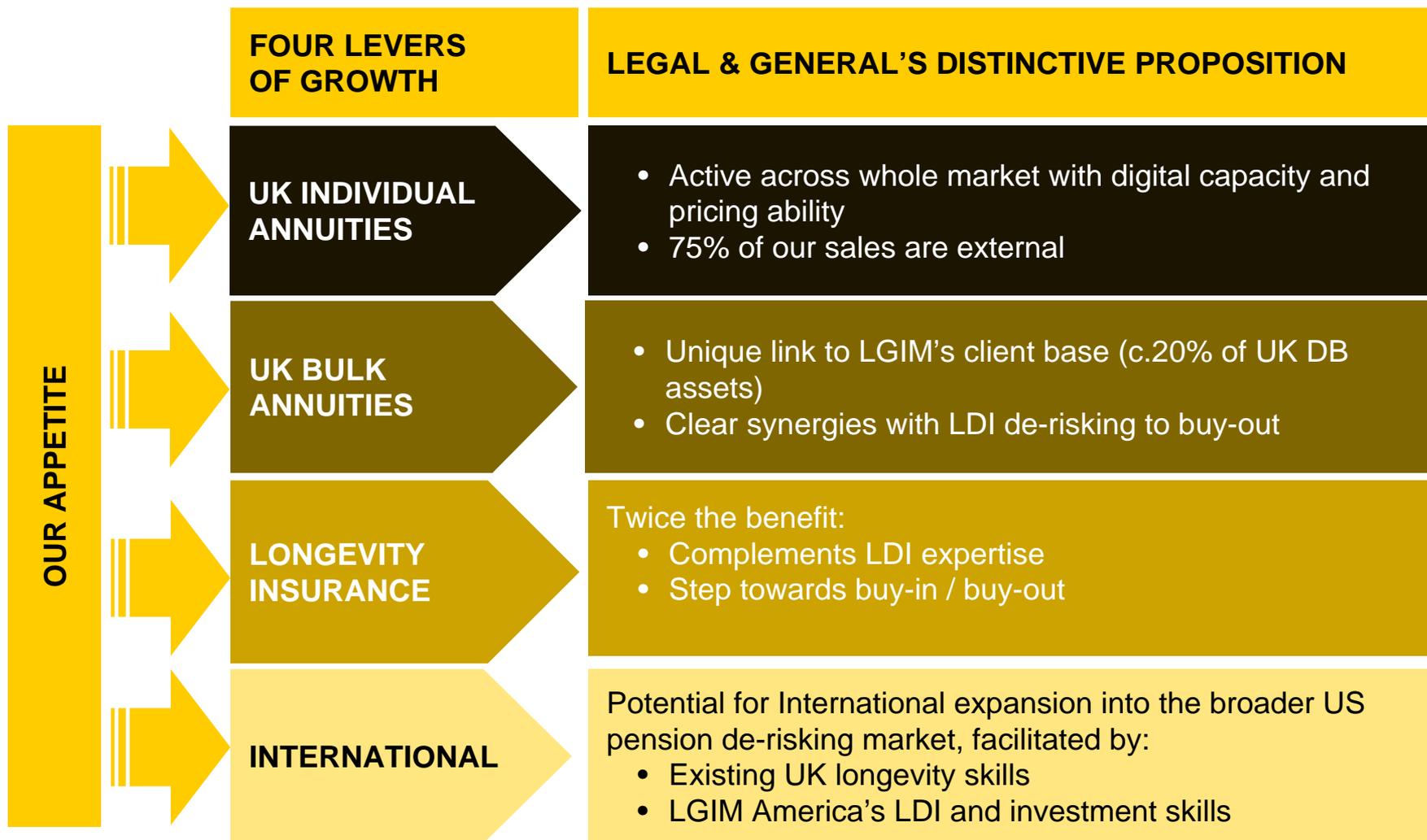
ASSET PORTFOLIO £bn	2013			
	LGR	LGC	BALANCE	TOTAL
Bonds:	30.0	1.8	3.9	35.7
Sovereign	4.8	0.4	1.3	6.5
Banks	2.1	0.5	0.4	3.0
Other bonds	23.1	0.9	2.2	26.2
Property	1.3	0.1	-	1.4
Equities	0.1	1.5	-	1.6
Derivatives	2.1	0.2	-	2.3
Cash and cash equivalents	0.7	1.1	0.6	2.4
Total Asset Portfolio	34.2	4.7	4.5	43.4
Total Direct investments	2.5	0.3	0.1	2.9

L&G RETIREMENT: GROWTH WITH DIVERSITY.

FINANCIAL HIGHLIGHTS £m	2013	2012
Operational cash generation	260	243
New business surplus	33	14
Net cash generation	293	257
Operating profit	310	281
Individual single premiums	1,277	1,320
Bulk single premiums	2,812	1,019
Total single premiums	4,089	2,339
Longevity annual premiums	270	-
Individual assets (£bn)	13.3	12.8
Bulk assets (£bn)	21.1	19.4
Total assets	34.4	32.2
Assets net inflows (£bn)	2.1	0.6
Annuities EEV margin (%)	8.7	8.8



L&G RETIREMENT: ALL BASES COVERED.



JOHN POLLOCK.

LGAS CHIEF EXECUTIVE OFFICER

PERFORMING FOR OUR CUSTOMERS



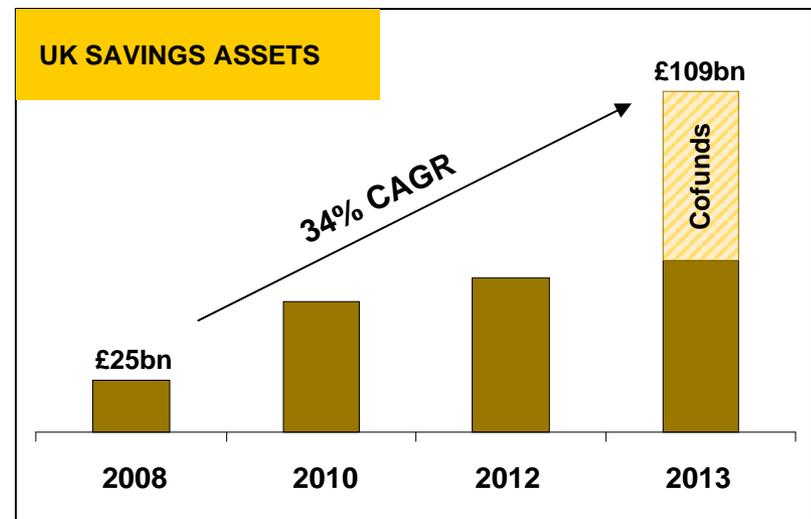
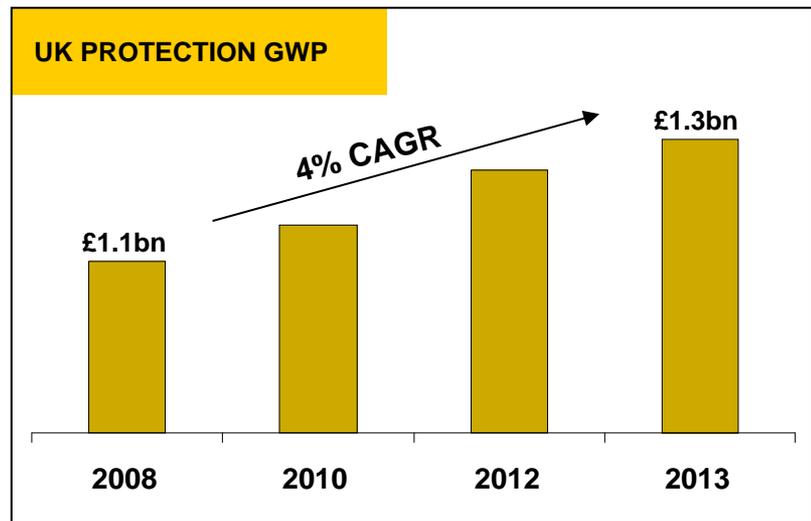
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LGAS: SCALE AND CHANGE DRIVING EFFICIENCY.

UK market leader in protection and savings platforms with over 6 million individual customers and over 8,000 corporate schemes.

FINANCIAL HIGHLIGHTS £m	2013	2012
Operational cash generation	474	436
New business strain	(73)	(107)
Net cash generation	401	329
Operating profit	444	462
Insurance gross premiums	1,923	1,823
Protection EEV margin (%)	8.9	11.8
Savings assets (£bn)	109	55
Savings net flows (£bn)	6.8	0.1
General Insurance GWP	375	349
General Insurance combined ratio (%)	84	95



ALIGNED TO GROWTH DRIVERS.

RETIREMENT SOLUTIONS

- Workplace Savings net inflows £1.5bn, total assets £8.7bn.
- 0.9m customers now able to benefit from our 50bps charge cap.
- Suffolk Life net inflows £0.9bn, total assets £6.6bn.

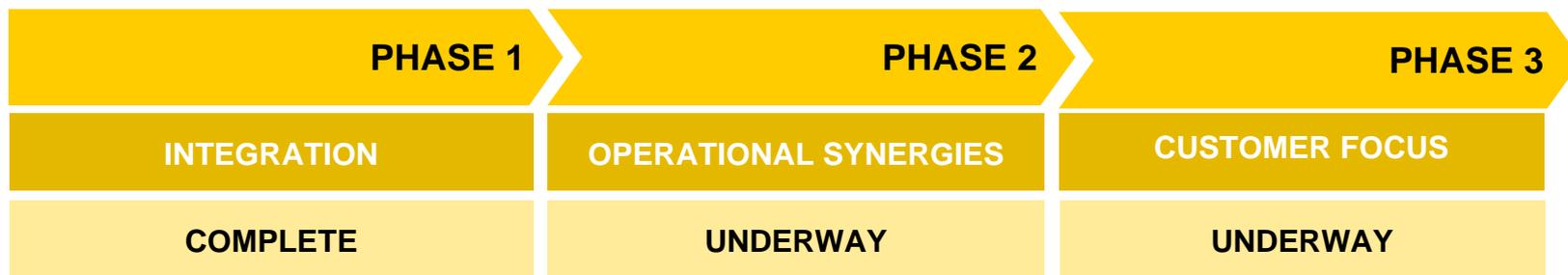
PROTECTION

- Protection business: net cash more than doubled over four years to £295m.
- GI GWP growth 7% with operating profit up to £69m, benefitting from benign weather, improved pricing and claims processes.
- Protection Review's 'Organisation of the Decade'.

DIGITAL SOLUTIONS

- Savings platforms net inflows £7.9bn, total assets £64.1bn.
- Retail protection now achieving over 80% Straight Through Processing (STP).
- Investment in Cofunds to drive further capability.

INTEGRATION: EMBEDDING CUSTOMER FOCUS.



PROGRESS ON INTEGRATION

- Annualised cost savings of £34m achieved with reduction of 400 FTE.
- Additional Cofunds savings on track to deliver £11m by 2015.
- Growth and digital investment plus tight management of mature business cost base.
- New management structure in place.
- Completed centralisation of finance, strategy, HR and risk.
- Sales team aligned around customer and distributor segments.

COFUNDS: GROWTH ENGINE.

2014 FOCUS

- Years of under-investment need addressing to improve profitability.
- Cost effective delivery of regulatory change.
- Delivery of integration synergies.
- Efficient delivery of enhanced platform proposition for all customers.

Fund selection

- Attractive Legal & General fund pricing.

Fund solutions

- Greater range of offerings to wider distribution channels.
- Large range of risk targeted multi-asset tracker funds.

Products

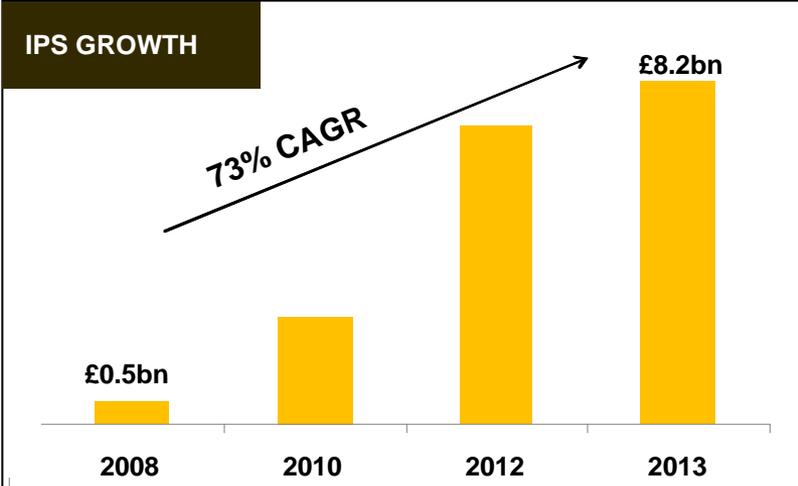
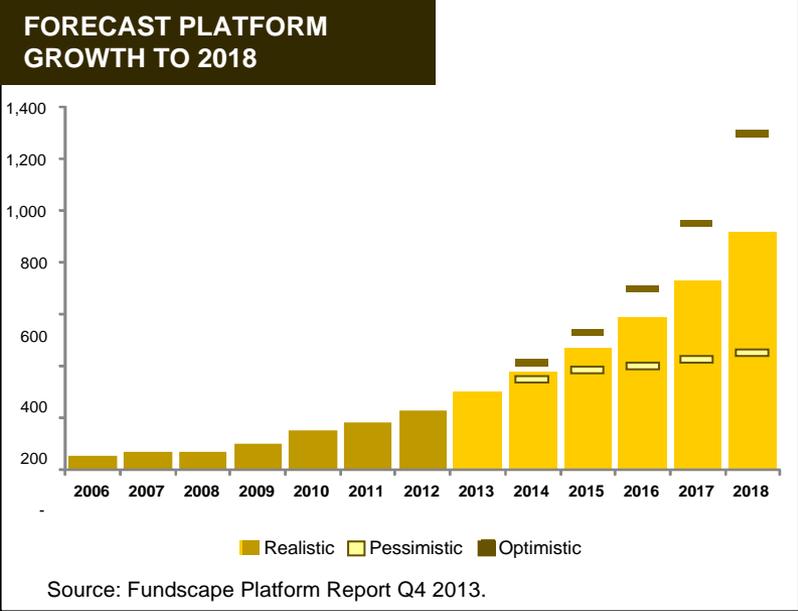
- Improved pension proposition.
- Protection and annuity offerings.

Distribution

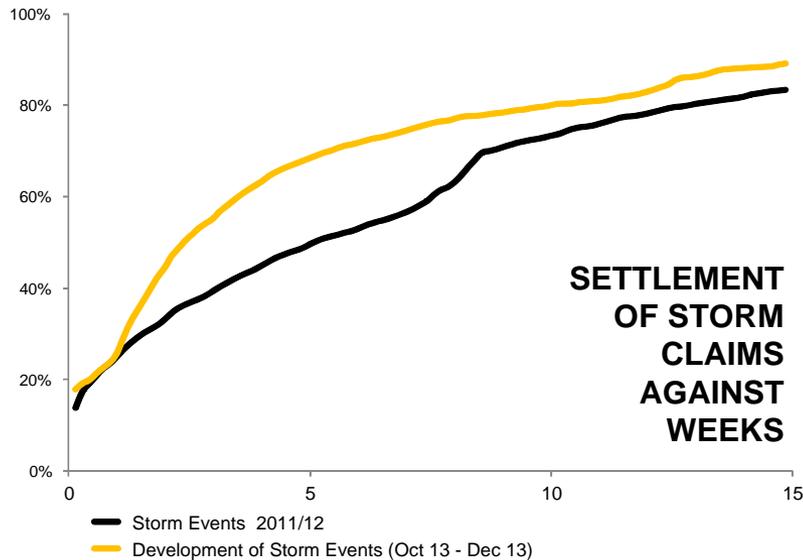
- Full offering to bancassurance partners.

Extend reach

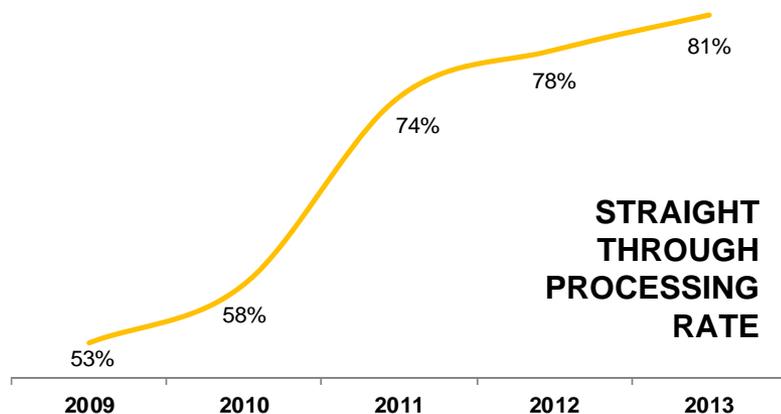
- Re-launched non-advised proposition.



INSURANCE: PERFORMING FOR CUSTOMERS.



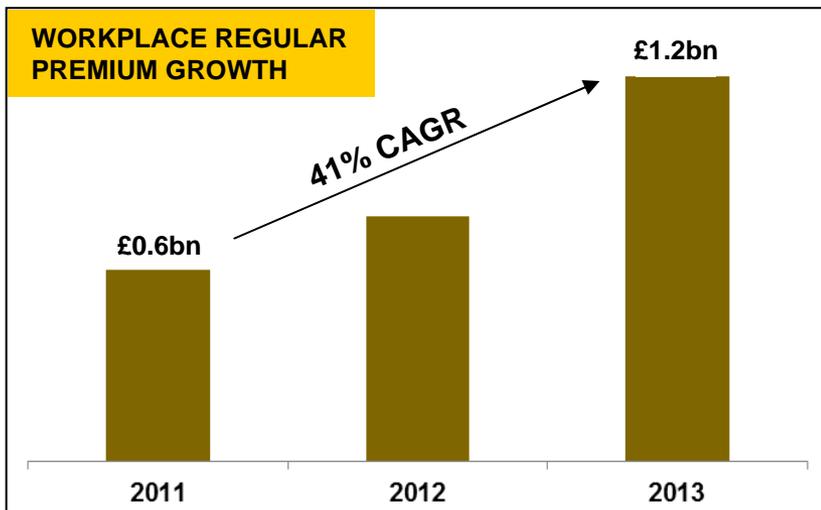
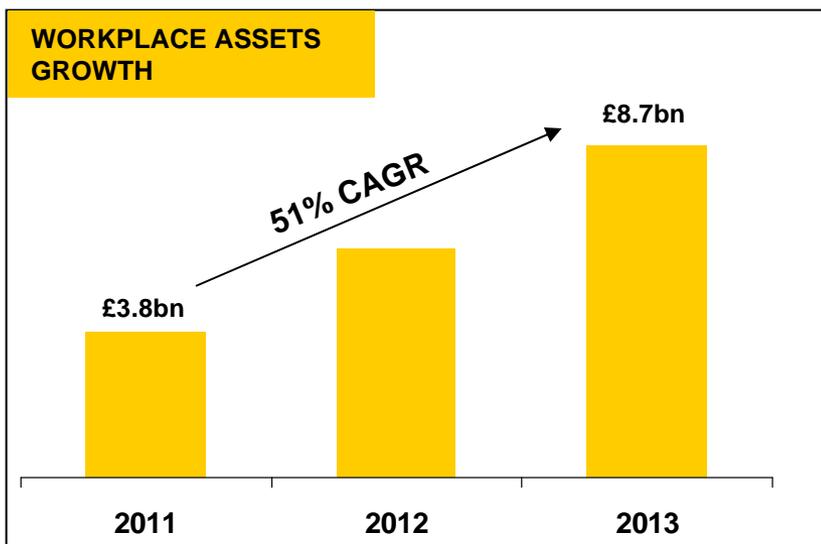
- **Exceptional year for GI profit, benefiting from benign weather, improved pricing and claims processes.**
- **Settlement costs lower than 'natural market share'.**
- **60% of storm claims settled within four weeks in 2013 reflecting improved claims handling.**
- **COR 84%, operating profit £69m after floods.**



- **Protection efficiencies – STP rate over 80%.**
- **LG Network facilitated around 1 in 6 of UK mortgages, £28bn of mortgages.**
- **Forecast of 11%^(*) growth in gross mortgage advances for 2014.**

* Source: Council of Mortgage Lenders

FOCUS ON CORPORATE CUSTOMERS.



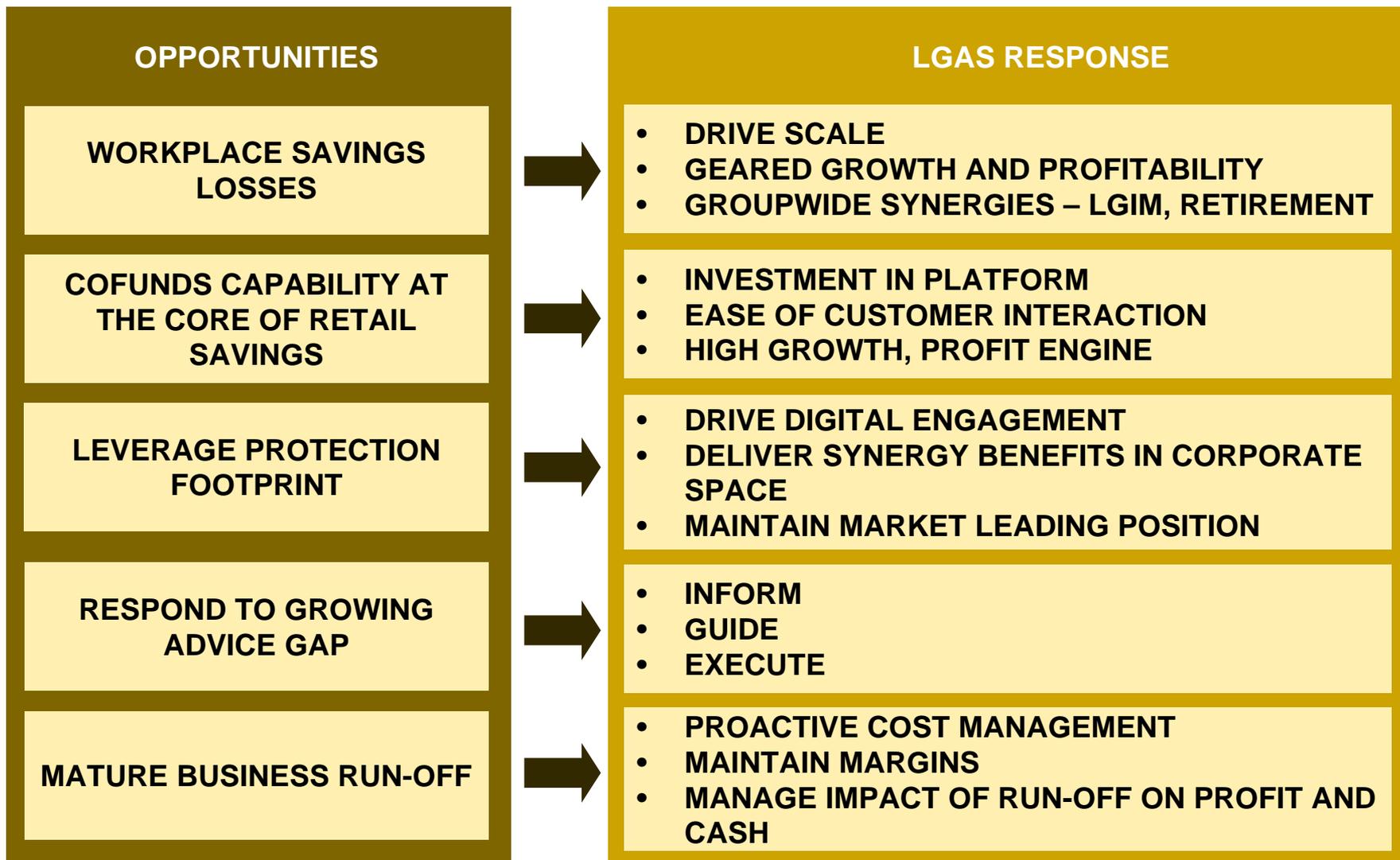
OPERATIONAL SCALE

- Workplace Savings: Over 900,000 members (2012: 381,000).
- Group Protection: 3,300 companies with 1.9 million members.
- Workplace Savings: 50% reduction in unit costs over two years.

CORPORATE SYNERGIES

- Shared clients: Assets £3bn; GWP £60m.
- £5m Group Protection new business from existing pensions clients and £250m pensions new business from common clients.
- Integrated operational management structure.

LGAS STRATEGIC VISION.





MARK ZINKULA.

LGIM CHIEF EXECUTIVE OFFICER

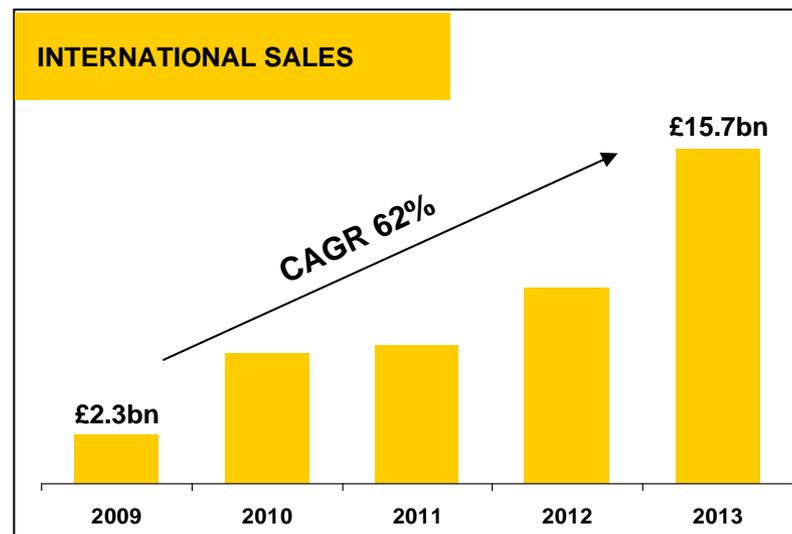
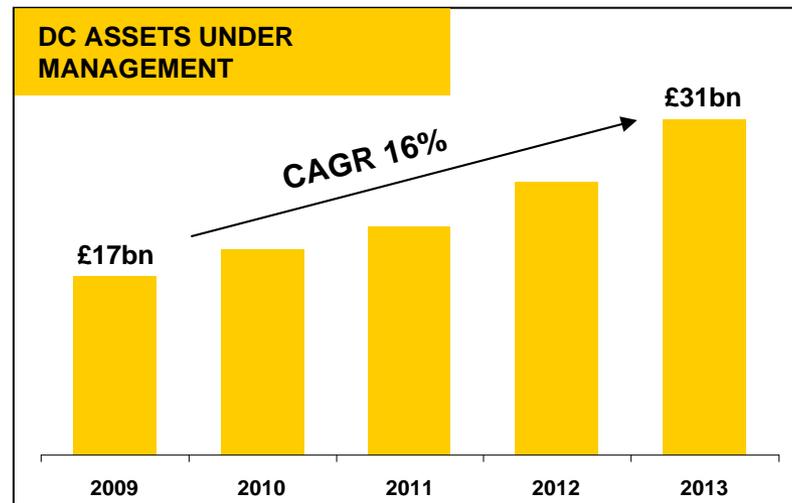
ACCELERATING INTERNATIONAL EXPANSION

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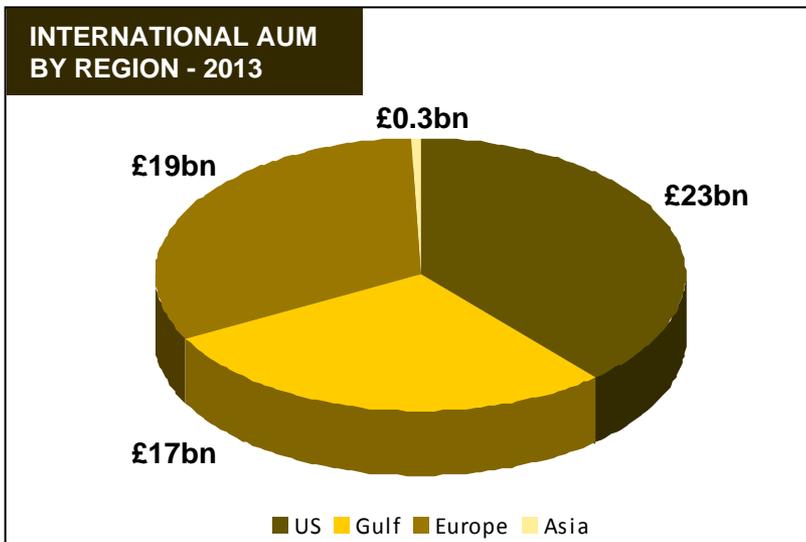
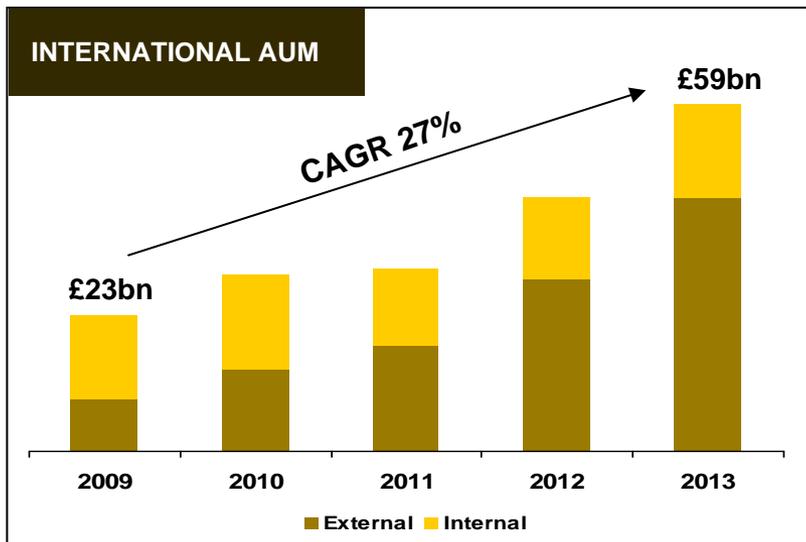


ROBUST BUSINESS MODEL DELIVERING SUCCESS.

FINANCIAL HIGHLIGHTS £m	2013	2012
Total revenue	594	533
Total costs	(290)	(261)
Operating profit	304	272
Net cash generation	239	219
Cost:income ratio (%)	49	49
External gross inflows (£bn)	52.0	37.1
External net inflows (£bn)	9.3	5.3
of which international (£bn)	15.7	7.8
of which retail (£bn)	0.4	(1.9)
Persistency (%)	90	92
ASSET SCALE £bn	2013	2012
Closing AUM	450	406
of which international	59	43



DELIVERING INTERNATIONAL EXPANSION.

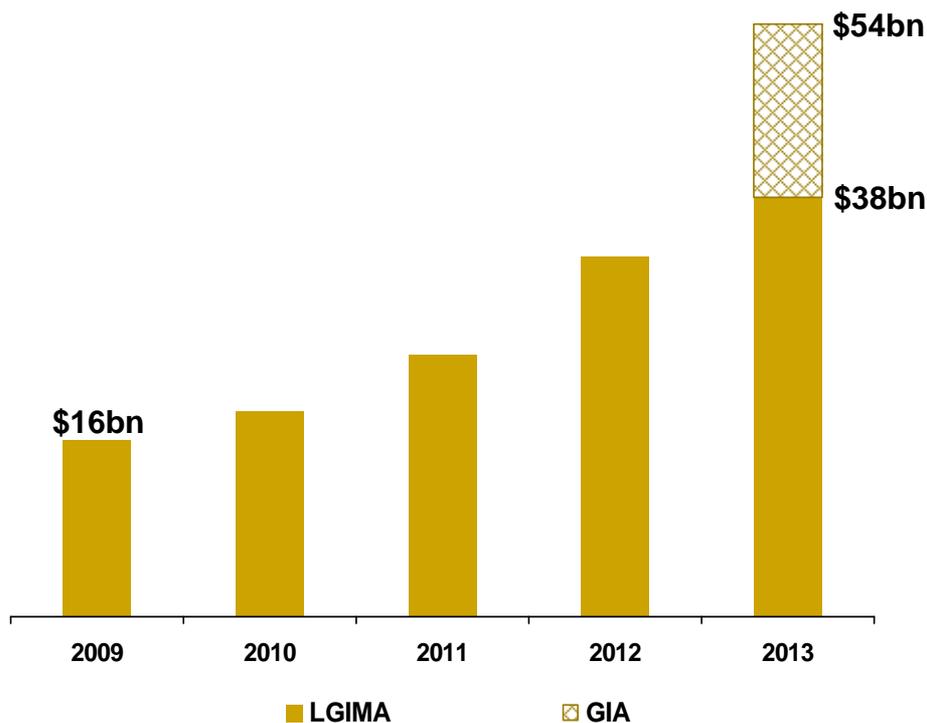


- **US:** Record net inflows of \$7.8bn in 2013 as we approach critical mass in the region. We have a healthy pipeline of fixed income and LDI mandates.
- **Gulf:** Strong net inflows of £4bn in 2013. We now manage £17bn of assets on behalf of clients in the region with continued momentum for both index and property products.
- **Europe:** Record year with sales of €7bn from the region. We successfully launched our first SICAV funds in November.
- **Asia:** LGIM Asia is actively marketing across the region after receiving its Type 1 licence. Significant interest in our index and fixed income capabilities.

A RAPIDLY GROWING U.S. MARKET FOR LGIM.

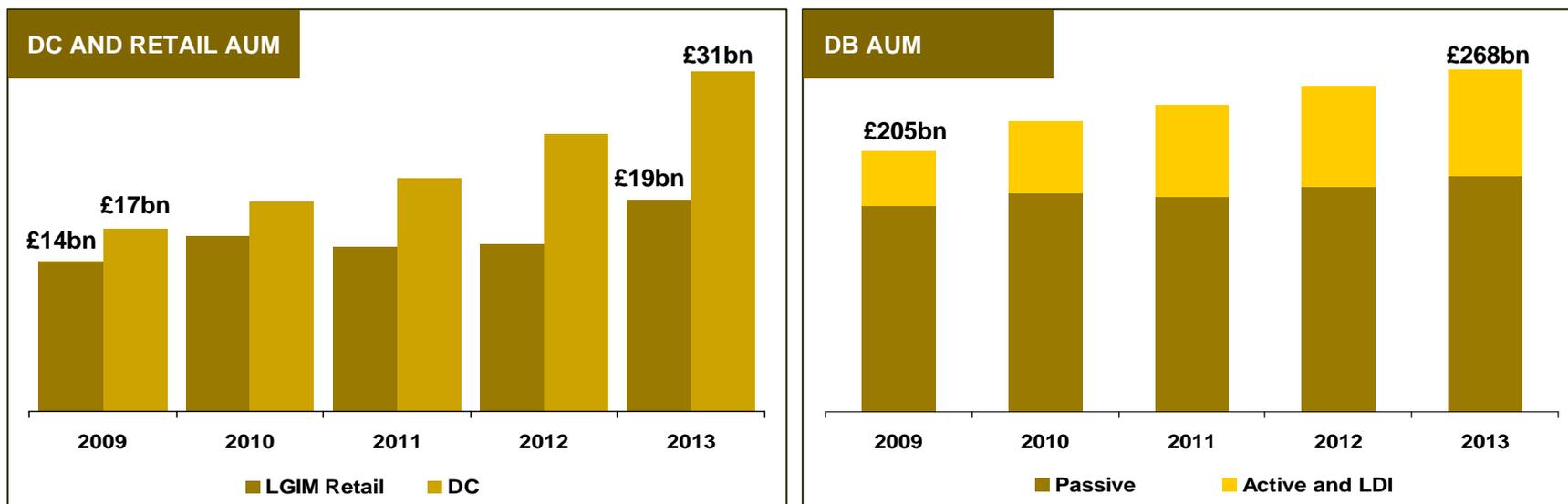
- Consistent strong growth with net inflows of \$7.8bn in 2013.
- Managing assets on behalf of four of the 10 largest corporate pension schemes in the US.
- Performance remains strong with all our composites outperforming their benchmarks.
- Acquisition of Global Index Advisors, Inc. provides significant potential to grow DC assets in the US.
- US companies and consultants increasingly looking to leverage our differentiated LDI capability.
- Expanding capabilities and product range with plans to enter the US index market in 2014.

LGIMA GROWTH – ASSETS



Note: The proforma 2013 assets of \$54bn include \$16bn of GIA advised assets, reflecting the acquisition of GIA in 2014.

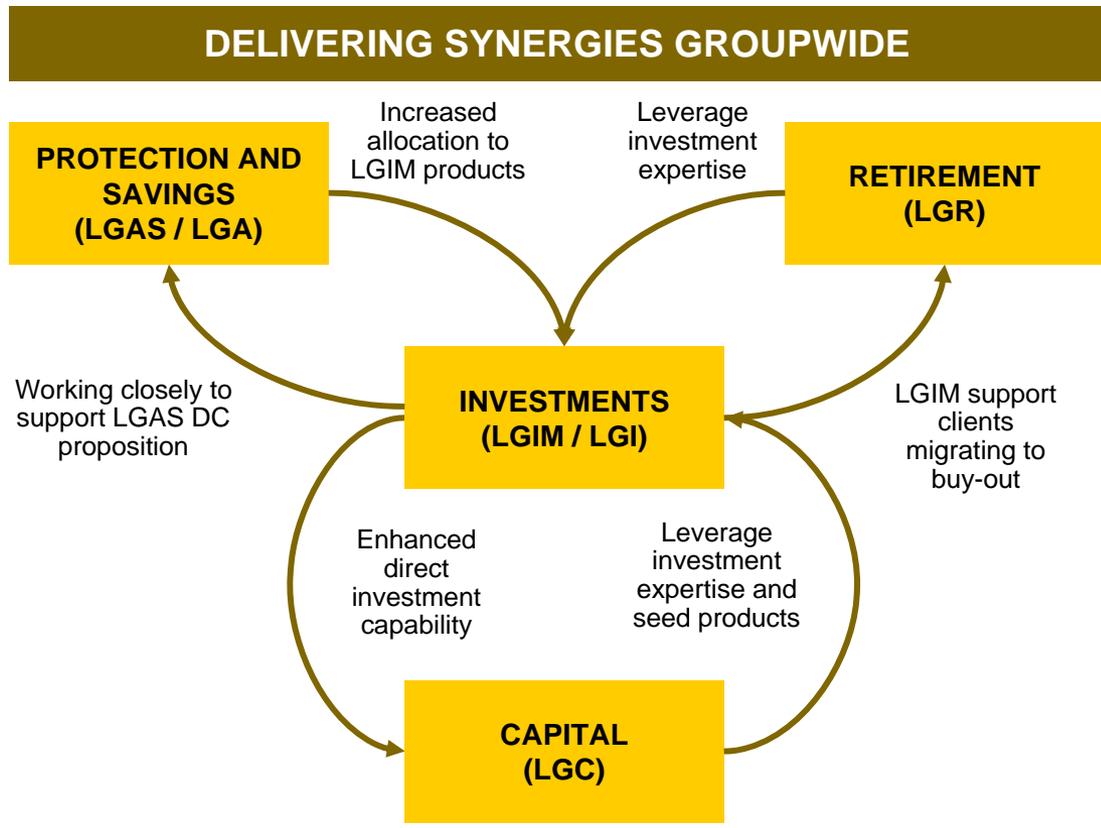
SERVING THE EVOLVING NEEDS OF THE UK MARKET.



- UK net outflows driven by the maturing DB market but clients' desire to de-risk remains strong with flows of £7bn into our LDI strategies.
- Enhanced DC proposition, building on existing significant market share as the DC market grows.
- Indexed funds benefiting from RDR and partnerships with fund platforms.
- Repositioning our active equity strategies and strengthened our multi asset capabilities.

HARNESSING THE POWER OF THE L&G GROUP.

- Retail investments' integration into LGIM is progressing well. We are enhancing our proposition, aligning it with our institutional capabilities.
- LGIM working closely with L&G Capital to complete direct investments with over £1bn originated in 2013.
- LGIM received over £1bn of net flows from DC clients using the Workplace Savings platform in 2013.
- LGIM and Retirement are forging stronger links to deliver solutions for existing clients seeking to insure their longevity risk.



NIGEL WILSON.

GROUP CHIEF EXECUTIVE

THE FORUM
How an ageing Britain
and avoid a looming lon

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2014 – FURTHER PROGRESS IN ALL AREAS.

DIVISIONS	2013 OPERATING CASH £m	2014 OPERATING CASH GUIDANCE £m	2014 KEY ACTIONS
LGR	260	290	<ul style="list-style-type: none"> • Increase net flows: 2012: £0.6bn, 2013: £2.1bn • Reduce unit costs. Improve risk adjusted yield • Continue to diversify sources of profit: international and enhanced • Increase longevity transactions
LGIM	239		<ul style="list-style-type: none"> • Improve performance in UK retail and DC • Accelerate international growth: organic and acquisitions • Accelerate external net flows 2012: £5.3bn, 2013: £9.3bn
LGAS*	421	430	<ul style="list-style-type: none"> • Reduce operating costs in all areas • Maintain GI momentum • Halve Workplace losses from £(29)m • Improve digital profit performance and increase capability - Cofunds, IPS
LGC	137		<ul style="list-style-type: none"> • Improve risk adjusted yield • Retain £1.5bn equity position • Active portfolio management via purchase and disposal of investments
LGA	44	46	<ul style="list-style-type: none"> • Improve risk adjusted yield and unit costs • Continue to grow dividends at 10% per annum

Move towards 1.5 times net cash cover over 2 years

* LGAS actual operating cash and cash guidance excludes General Insurance.



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