

STEPPING UP.

FOR SHAREHOLDERS, CUSTOMERS AND SOCIETY.

Deutsche Bank Conference.

New York, 5 June 2013

EVERY
DAY
MATTERS

England's National Football Centre.


Legal &
General

STRATEGIC AND FINANCIAL EVOLUTION.

	2009	2012	2013 and beyond
	CASH: CERTAINTY AND SUSTAINABILITY	CASH PLUS ORGANIC GROWTH	CASH PLUS ORGANIC GROWTH PLUS BOLT-ON ACQUISITIONS
ACTIONS	<ul style="list-style-type: none"> • Substantial improvement in MI • Improve operational efficiency • Industrialisation of processes: <ul style="list-style-type: none"> Algorithmics software (ALM) Connect (Retail Protection) Elixir (Group Protection) Lifestyle (General Insurance) US Protection (Digital Office) • US capital restructuring including dividends from subsidiaries • Balance sheet de-risking 	<ul style="list-style-type: none"> • LGIM expansion into US, Gulf, Asia • Annuities expanded capability, e.g. entered large bulk annuity market (£500m plus) and large longevity insurance (£1bn plus) • Savings digital expansion: RDR, auto enrolment • Retail Protection: direct to consumer • US Protection: expanded network • Improved digital customer experiences • Improved organisational capability • Excellent customer and colleague engagement 	<ul style="list-style-type: none"> • Triangle of austerity creating opportunities for growth • International retirement solutions: ageing population, corporate de-risking, welfare reform • Internationalisation of LGIM: homogenous global asset markets • Digital: efficient customer engagement, e.g. Group Protection online quote and buy • Protection: welfare reform stimulates growth • Direct investing: infrastructure
OUTCOME	<p>Net cash: 2008: £320m 2012: £865m</p> <p>Dividend: 2008: 4.06p 2012: 7.65p</p> <p>Increase in size and quality of assets</p>	<p>2012</p> <ul style="list-style-type: none"> • LGIM AUM: £371bn to £406bn • 12% EPS growth: 12.4p to 13.9p • Sales up: UK Protection 25%, US Protection 28%, UK Savings 15%, Individual Annuities 26%, GI 15% • Return on Equity 15.5% 	<p>Generating high quality cash</p> <p>Growing earnings</p> <p>High returns on equity</p> <p>Disciplined use of capital</p> <p>Progressing dividends</p>

RESULTS SUMMARY: FINANCIAL HIGHLIGHTS.

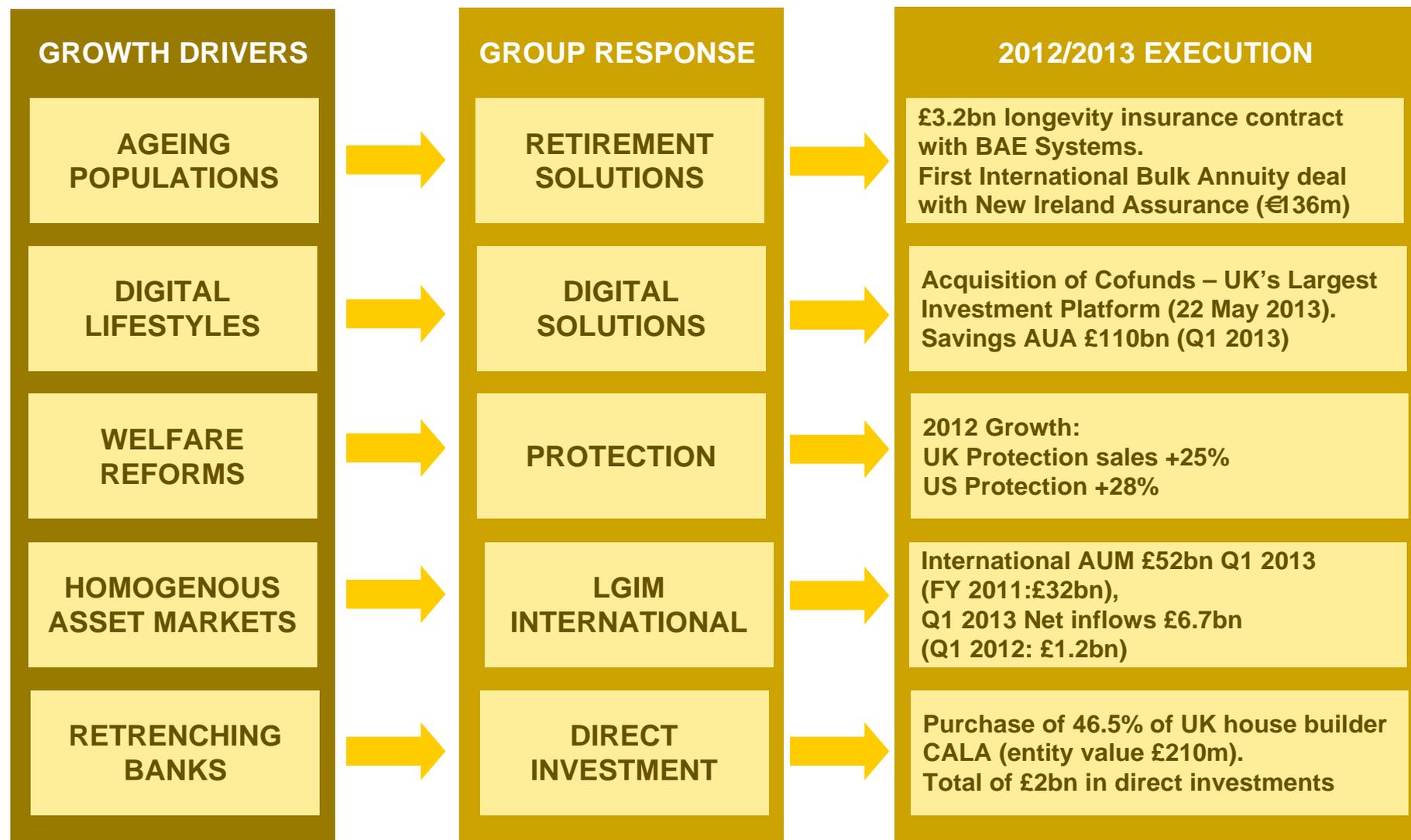
Full Year 2012:

- Earnings per share up 12% to 13.90p (2011: 12.42p)
- Full year dividend up 20% to 7.65p per share (2011: 6.40p)
- IFRS return on equity 15.5% (2011: 14.9%)

Q1 2013:

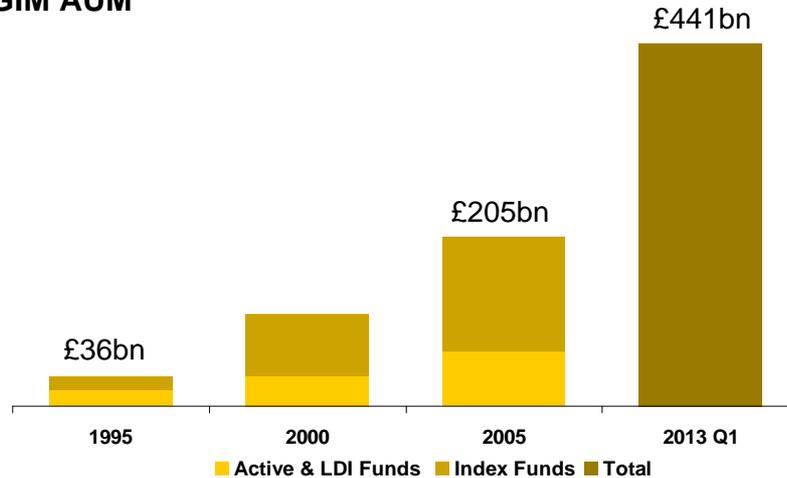
- Total LGIM AUM up 9% to £441bn (FY 2012: £406bn)
International AUM up 21% to £52bn (FY 2012: £43bn)
- LGIM Gross inflows up 81% to £13.6bn (Q1 2012: £7.5bn)
Record LGIM International net flows of £6.7bn (Q1 2012: £1.2bn)
- Record Individual Annuity Q1 premiums up 51% to £406m (Q1 2012: £268m)
Bulk Purchase Annuity Q1 premiums of £357m (Q1 2012: £36m)

MACRO DRIVERS OF GROWTH.

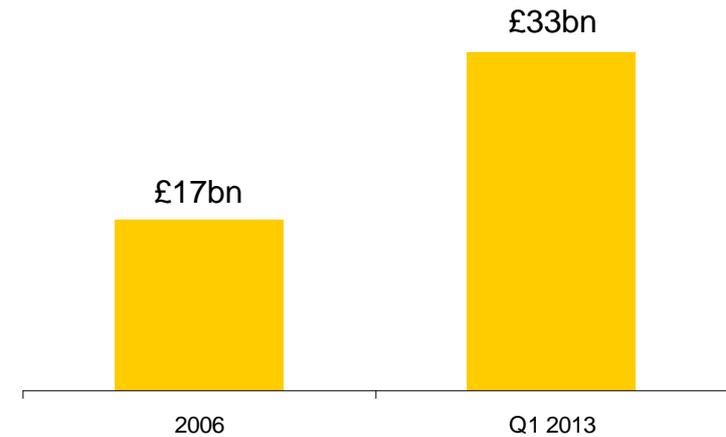


MOMENTUM IN SCALE.

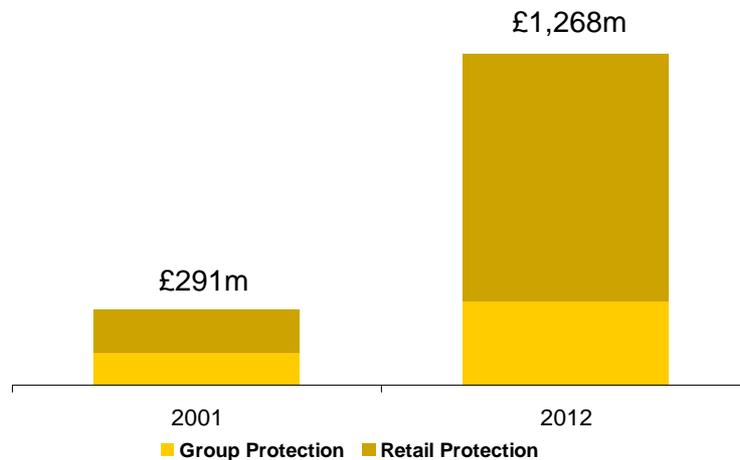
LGIM AUM



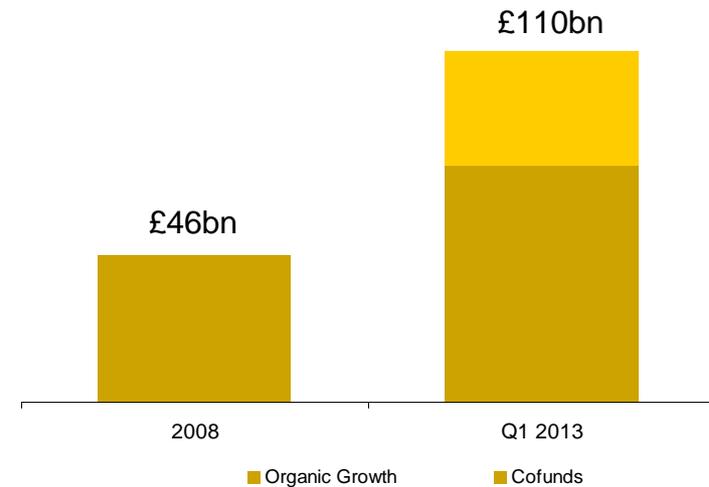
ANNUITIES AUM



UK PROTECTION GROSS PREMIUMS



SAVINGS AUA

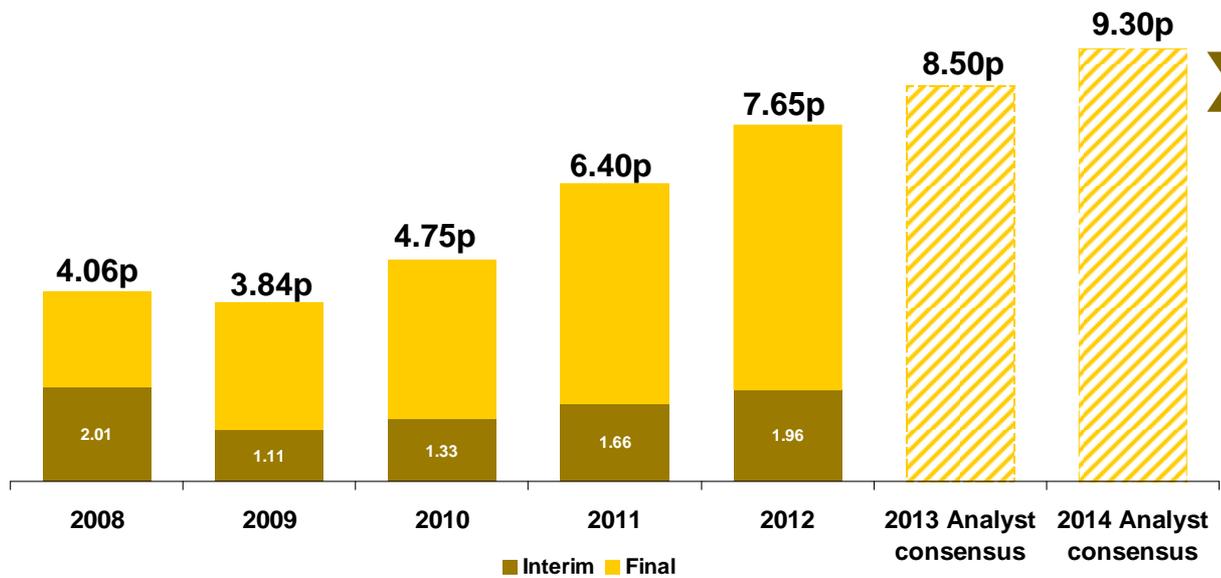


+ US Protection from \$397m in 2001 to \$922m in 2012

GROWING CASH AND DIVIDENDS TO GROUP.

£m	2013	2012	2012			DIVIDEND	DIVIDEND
	GUIDANCE	GUIDANCE	OP CASH	STRAIN	NET CASH	TO GROUP	% CASH
Annuities	c.620	c.590	243	14	257	525	88
UK Protection			240	(45)	195		
Insured Savings			108	(62)	46		
SUB TOTAL			591		498		
With-profits	c.55	c.50	52		52		
US Protection	c.60	c.55	40		40	40	100
European dividends			14		14	14	100
SUB TOTAL	c.735	695	697		604		
Savings Investments			19		19		
GI and other risk			25		25		
LGIM			197		197	175	89
TOTAL CASH FROM DIVISIONS			938	(93)	845	754	89
GCF			20		20		
TOTAL CASH			958	(93)	865	754	87

SHARE PRICE AND DIVIDEND PERFORMANCE.



Source: Bloomberg as at 30 May 2013.



Source: Datastream as at 30th May 2013.

SUMMARY

- **Macro trends create opportunities for growth**
- **5 strategic responses:**
 LGIM International
 Retirement Solutions
 Digital Solutions
 Protection
 Direct Investments
- **Growing organically**
- **Disciplined Bolt-on acquisitions**
- **Strong, consistent cash generation**
- **Growing earnings**

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.