

## CAPITAL REQUIREMENTS (COUNTRY BY COUNTRY REPORTING) REGULATIONS 2013

On 10th December 2013 the Capital Requirements (Country by Country Reporting) Regulations 2013 ("CRD IV") were laid before Parliament, coming into force on 1st January 2014. These require credit institutions and investment firms, as defined within the directive, which are regulated under CRD IV, to "disclose annually, specifying by Member State and by third country in which it has an establishment, the following information on a consolidated basis for the financial year", by 1st July 2014:

- Name, nature of activities and geographical location
- Turnover
- Number of employees on a full time equivalent basis

In future years profit or loss before tax, tax on profit or loss, and public subsidies received are also required to be disclosed. We have early adopted the requirements for the 2013 financial year end, and the tables below reflect this. We do not receive public subsidies in any of the jurisdictions in which we operate.

The following Legal & General Group companies, together with their activities and geographical location, are regulated under CRD IV:

Company name	Country of incorporation	Activities
Suffolk Life Pensions Limited	England	Provision and administration of self invested pensions
Legal & General (Portfolio Management Services) Limited	England	Promotion of investment products
Cofunds Limited	England	Operating financial services platform
Legal & General Investment Management Limited	England	Provision of investment management services
LGIM International Limited	England	Provision of investment management services
Legal & General Asset Management (France)	France	Provision of asset management services
Legal & General Bank (France)	France	Provision of banking services
L&G Nederland Beleggingen B.V.	Netherlands	Provision of banking services

The table below provides a consolidated analysis of turnover, employees, profit before tax and tax on profit for our CRD IV regulated companies, together with a reconciliation of the amounts back to the Group accounts. Tax expense attributable to equity holders has additionally been provided to facilitate comparison.

	Country	CRD IV entities	Rest of Group	Total	Reference to Group Accounts
		£m	£m	£m	
<b>Turnover<sup>1</sup></b>					
	UK	493	37,572	38,065	
	France	8	522	530	
	Netherlands	0	267	267	
	Other	0	389	389	
	<b>Total</b>	<b>501</b>	<b>38,750</b>	<b>39,251</b>	<b>Income Statement</b>
<b>Number of employees<sup>2</sup></b>		Number	Number	Number	
	UK	0	10,194	10,194	
	France	15	226	241	
	Netherlands	0	183	183	
	Other	0	545	545	
	<b>Total</b>	<b>15</b>	<b>11,148</b>	<b>11,163</b>	<b>Note 36</b>
<b>Profit before Tax<sup>1</sup></b>		£m	£m	£m	
	UK	34	900	934	
	France	3	5	8	
	Netherlands	(1)	25	24	
	Other	0	168	168	
	<b>Total</b>	<b>36</b>	<b>1,098</b>	<b>1,134</b>	<b>Income Statement</b>
<b>Tax on profit<sup>3</sup></b>		£m	£m	£m	
	UK	0	133	133	
	France	0	1	1	
	Netherlands	0	(1)	(1)	
	Other	0	6	6	
	<b>Total</b>	<b>0</b>	<b>139</b>	<b>139</b>	<b>Cash Flow Statement</b>
<b>Tax expense attributable to equity holders<sup>4</sup></b>		£m	£m	£m	
	UK	9	159	168	
	France	0	3	3	
	Netherlands	0	6	6	
	Other	0	61	61	
	<b>Total</b>	<b>9</b>	<b>229</b>	<b>238</b>	<b>Income Statement</b>

1. Turnover represents "Total Revenue" per the Group annual report and accounts. Turnover and Profit before Tax for the CRD IV entities are derived using local entity accounts, prepared, depending on the entity, under local GAAP or IFRS. At a Group level turnover, defined as "Total Revenue" in the Group accounts, and Profit before Tax, are prepared on a consolidated basis under IFRS.

2. Employee numbers reflect those employed directly by CRD IV entities. Where individuals are employed by service companies in individual territories, with their time being split across several entities a reallocation of that time has not been performed here.

3. Tax on profit represents total corporate income taxes paid in the period based on local taxable profits. Due to instalment payment regimes, corporate income taxes paid in one year may relate to the year of payment or the preceding year. Tax is paid by other group companies on behalf of in scope entities, either as the nominated payment company or because the group files a consolidated return. Tax payable may also be reduced due to the offset of losses either from prior periods or arising elsewhere in the Group.

4. Tax expense attributable to equity holders represents the total tax charged/(credited) through the Income Statement during the period. The CRD IV numbers are taken from the local entity account while the rest of Group numbers are on a consolidated IFRS basis and represent the total in each territory. This is reconciled to the total consolidated tax paid on page 31 of the annual report and accounts.