



**DEUTSCHE BANK GLOBAL  
FINANCIAL SERVICES CONFERENCE**

**NIGEL WILSON – LEGAL & GENERAL  
28<sup>TH</sup> MAY 2014**

**EVERY  
DAY  
MATTERS**

  
**Legal &  
General**

# 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"> <li>Industrialised and automated processes</li> <li>Cost of new business reduced</li> <li>Capital efficiency increased</li> </ul>	<ul style="list-style-type: none"> <li>Identification of five key macro drivers of growth</li> <li>Banks and governments excessive leverage create 'white spaces' to expand into</li> <li>No burning platforms</li> </ul>	<ul style="list-style-type: none"> <li>Continue to accelerate growth in flow to annuities, direct investment and LGIM</li> <li>Six bolt on acquisitions</li> <li>Measured international expansion</li> <li>Increased digital capability</li> </ul>
ORGANISATIONAL PROGRESS	<ul style="list-style-type: none"> <li>One firm with shared culture, beliefs, values</li> <li>Every Day Matters</li> </ul>	<ul style="list-style-type: none"> <li>Expansion of key roles - improving talent</li> <li>Strengthening our social purpose</li> </ul>	<ul style="list-style-type: none"> <li>Five major profit centres in our new operational structure</li> <li>Becoming a destination for talent</li> </ul>
OUTCOMES	<ul style="list-style-type: none"> <li><b>Net cash: 213% growth</b> 2008: £320m 2013: £1,002m</li> <li><b>Dividend: 129% growth</b> 2008: 4.06p 2013: 9.30p</li> </ul>	<ul style="list-style-type: none"> <li>UK Individual annuities up 26%</li> <li>UK Protection up 25%</li> <li>US Protection up 28%</li> <li>Direct investments £1.4bn</li> <li>Workplace net inflows £1.6bn</li> </ul>	<ul style="list-style-type: none"> <li>LGIM International AUM: £63bn</li> <li>UK longevity insurance: £5bn</li> <li>UK Savings Assets: £115.3bn including Cofunds acquisition</li> <li>Direct investments: £2.9bn in 2013 and £1bn in Q1 2014.</li> <li>1.5 times target dividend cover</li> </ul>
	<b>Cost of 2013 dividend £550m</b>	<b>Return on equity 15.4%</b>	<b>Return on equity 16.1%</b>

# RESULTS SUMMARY: FINANCIAL HIGHLIGHTS.

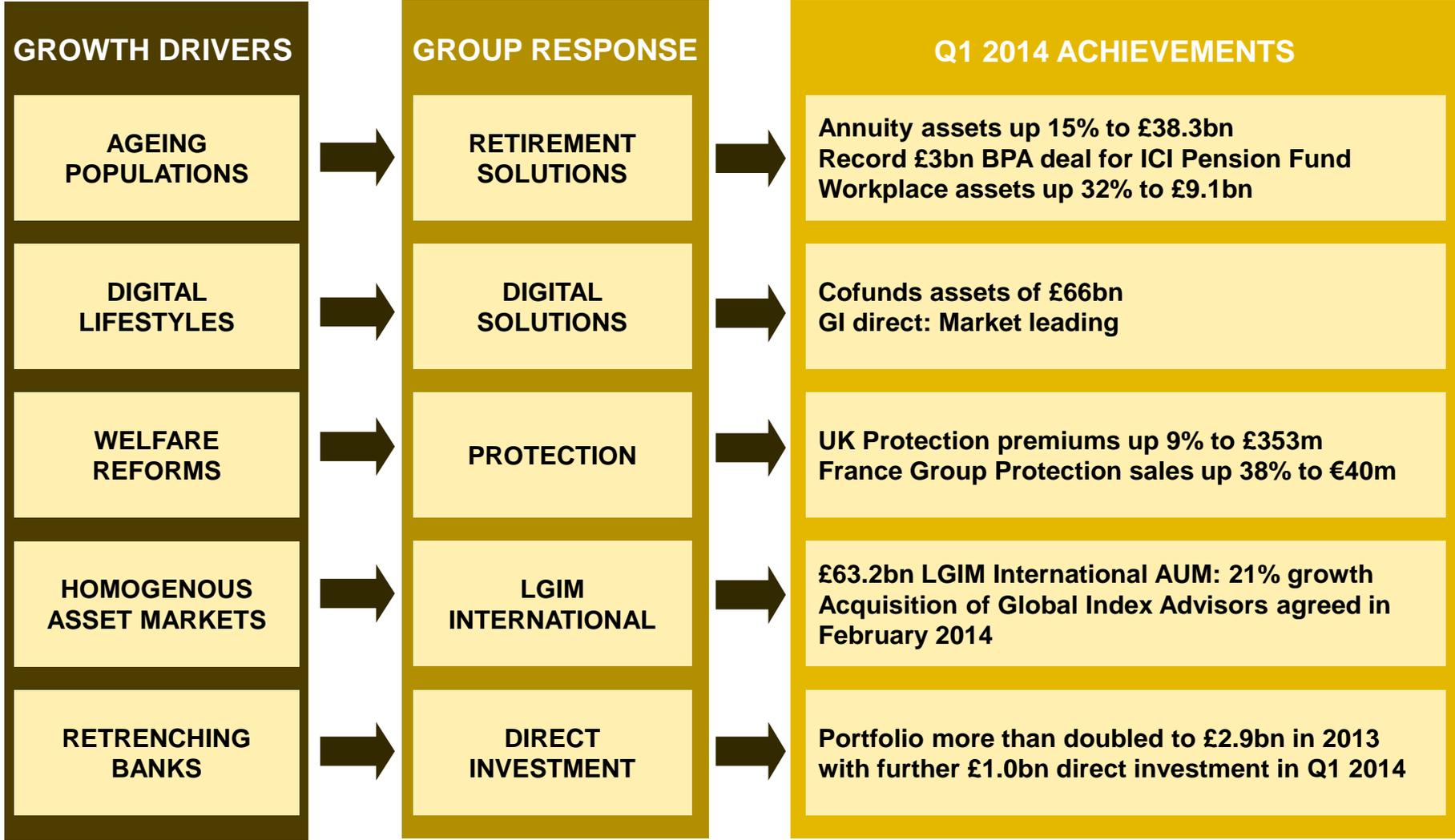
## Full Year 2013:

- Earnings per share up 10% to 15.20p (2012: 13.84p)
- Full year dividend up 22% to 9.30p per share (2012: 7.65p per share)
- Return on equity 16.1% (2012: 15.4%)

## Q1 2014: Net Cash Generation up 21% to £301M (Q1 2013: £249M)

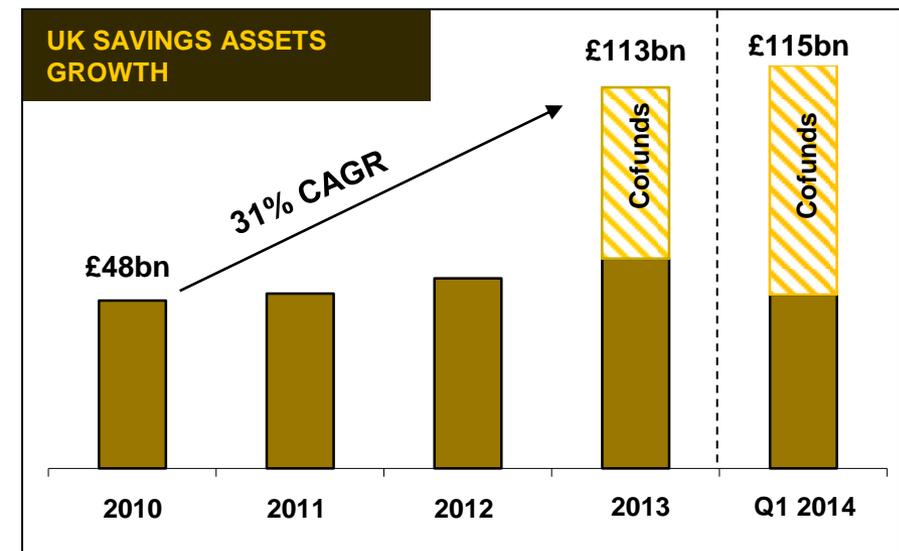
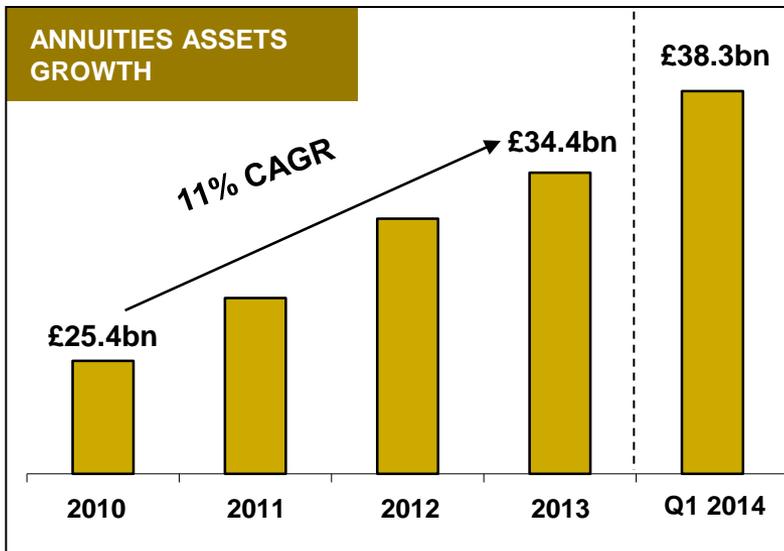
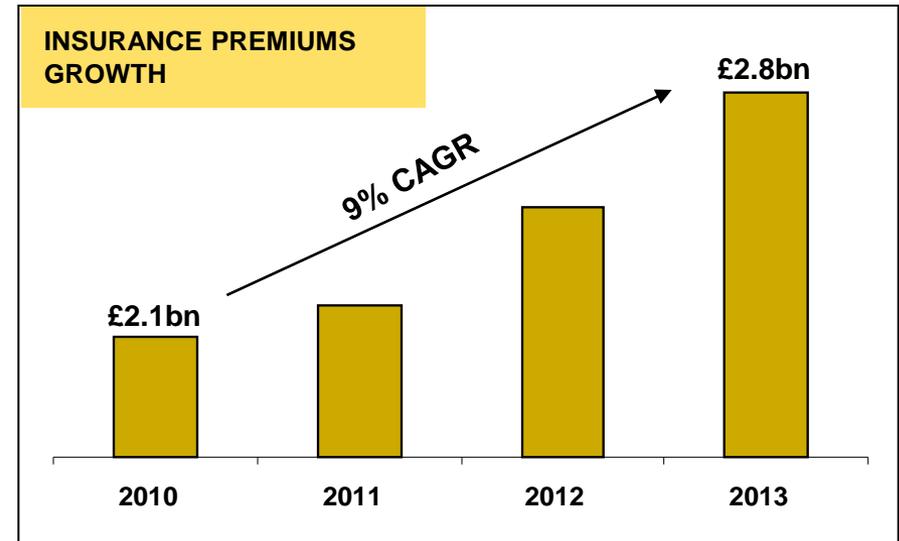
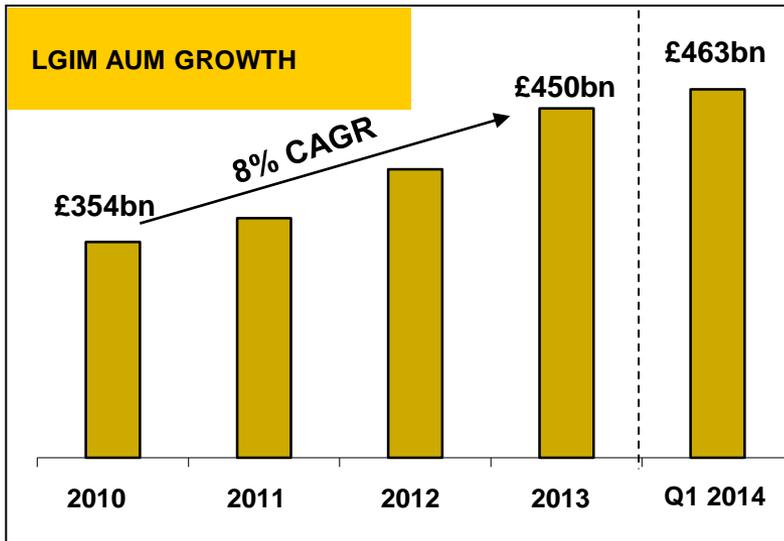
- LGIM total AUM up 5% to £462.6bn (Q1 2013: £441.2bn)  
LGIM International AUM up 21% to £63.2bn (Q1 2013: £52.4bn)
- Record Bulk Purchase Annuity Premiums of £3,045m (Q1 2013: £357m)  
Annuity assets up 15% to £38.3bn (Q1 2013: £33.3bn)
- UK Retail Protection sales up 56% to £42m (Q1 2013: £27m)  
Workplace AUA up 32% to £9.1bn (Q1 2013 £6.9bn)
- £1.0bn of direct investments completed in Q1

# CLEAR STRATEGY, OUTSTANDING RESULTS.

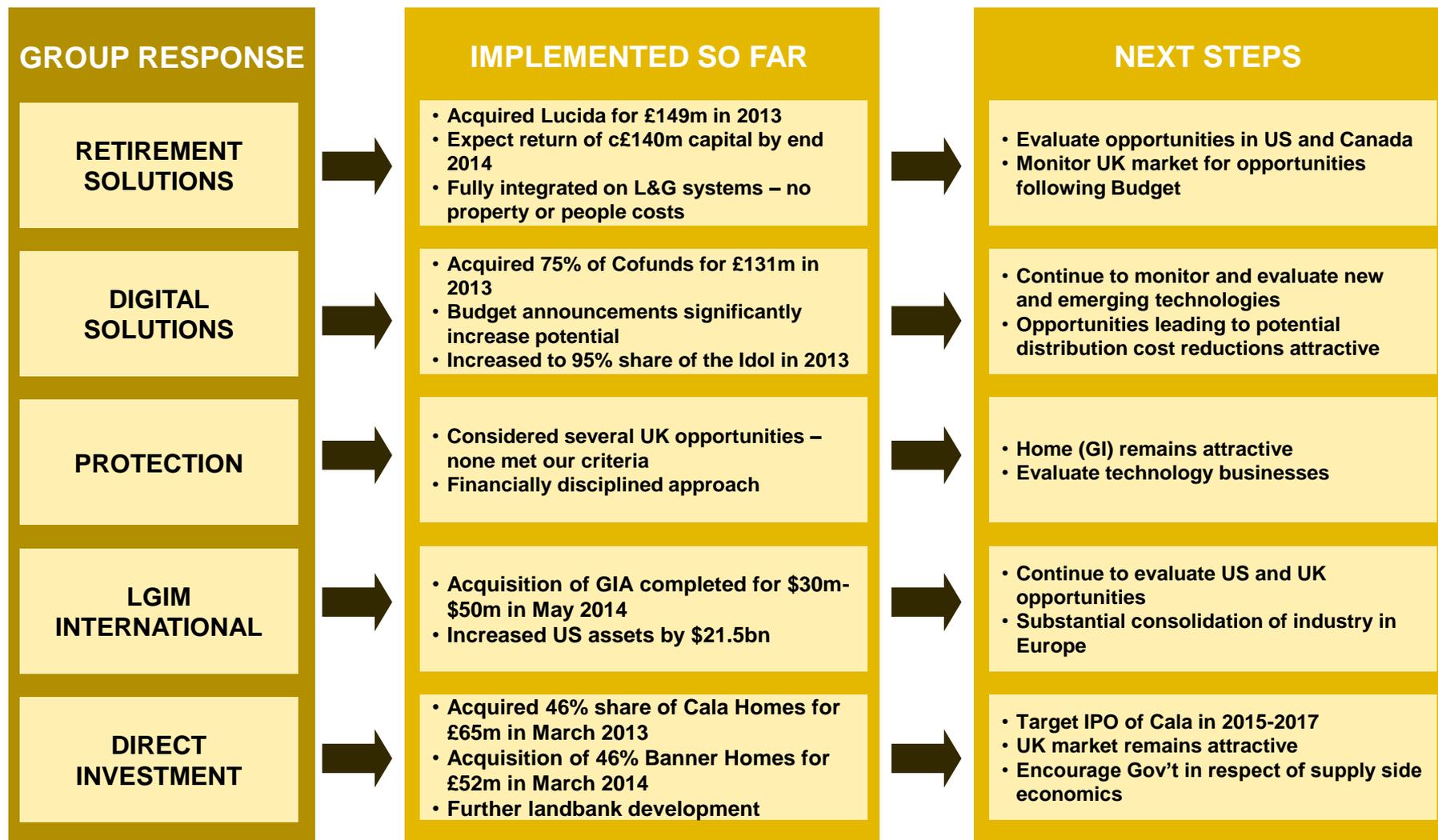


# DRIVING CASH AND DIVIDENDS.

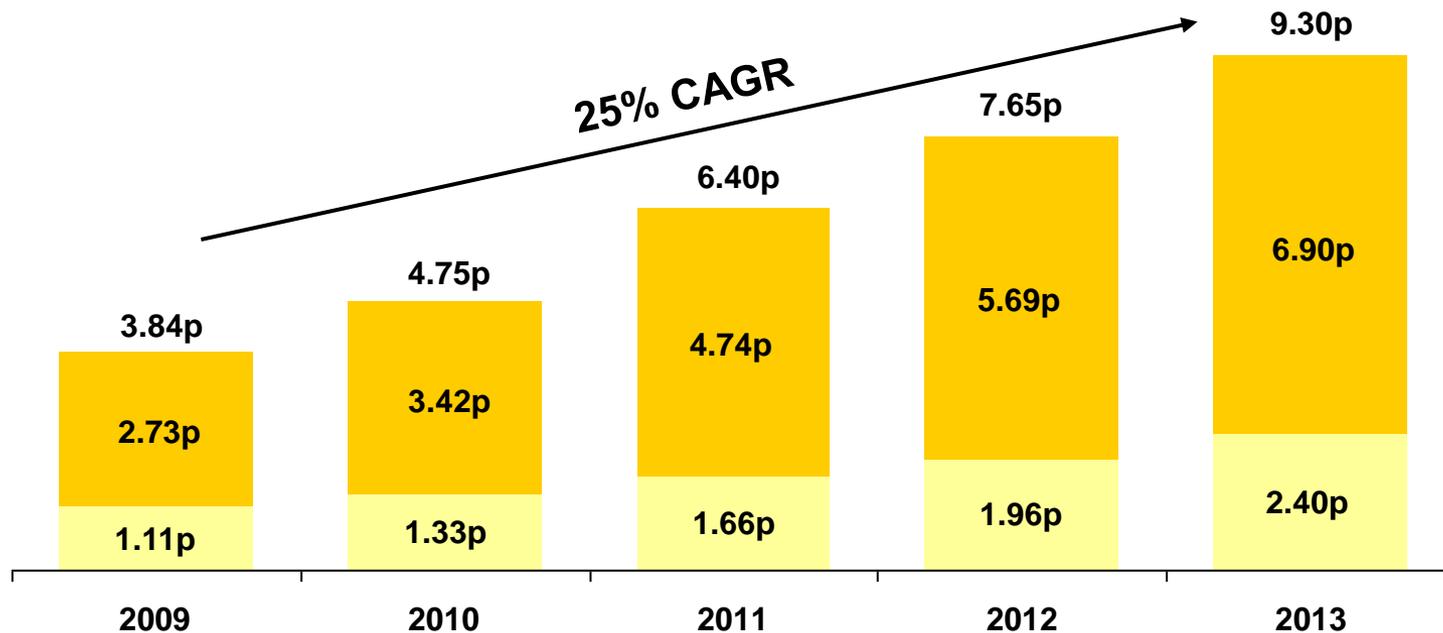
# DRIVING GROWTH: INCREASING STOCK.



# ACQUISITIONS - CLEAR STRATEGY, OUTSTANDING RESULTS.



# FULL YEAR DIVIDEND UP 22% TO 9.30P.



	2009	2010	2011	2012	2013
Net cash (£m)	699	760	846	865	1,002
Dividend (£m)	225	279	375	452	550
Dividend coverage <sup>1</sup>	3.11	2.72	2.26	1.91	1.82

1. Dividend coverage based on net cash generation.

# EVERY DAY MATTERS – OUR SOCIAL PURPOSE.

“Insurance has a **powerful social purpose**. We make a promise to our customers that we will be there to stand behind that **promise** when disaster or tragedy strikes. Our clear aim is to be a **force for good** in society, make every day matter for our customers and staff and live by the promises we make in our high **quality** products.”



SAMARITANS



Shelter



St John  
Cymru - Wales



WE ARE  
MACMILLAN.  
CANCER SUPPORT



Breast Cancer Support Centres



Alzheimer's  
Society

Leading the  
fight against  
dementia

# FORWARD LOOKING STATEMENTS.

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