

**ANNUAL GENERAL MEETING.
21 MAY 2015.**

**A POSITIVE
FUTURE FOR ALL.**




**Legal &
General**

▶ **JOHN STEWART.
CHAIRMAN.**



ANNUAL GENERAL MEETING. 21 MAY 2015.

HOUSEKEEPING MATTERS.

- Evacuation procedures
- Mobile Phones



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▶ **ANNUAL GENERAL MEETING.**

ORDER OF TODAY'S MEETING.

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Company's Performance 2014

Nigel Wilson, CEO

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Nigel Wilson, CEO

Summary of Main Business

John Stewart, Chairman

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Questions from the floor

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Notice of Meeting Formal Business

John Stewart, Chairman

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John Stewart, Chairman

Questions from the floor

Notice of Meeting Formal Business

John Stewart, Chairman

Formal Poll followed by Lunch
and Opportunity to Meet The Board

▶ LEGAL & GENERAL IS SPECIAL FOR 3 REASONS.

- We succeed in delivering for **our customers**
- We are good at delivering for **our shareholders**
- Our culture and strategy emphasises our **economic and social value**



▶ OUR STRATEGY ENABLES US TO HELP WITH TODAY'S CHALLENGES.

- To meet the **challenge** of an ageing population
- How to export our **expertise**
- How to **supplement** cash-strapped governments by using private insurance alongside state welfare
- How to **adjust** to a fast paced digital world
- How to **fill** the investment gap

▶ OUR STRATEGY ENABLES US TO HELP WITH TODAY'S CHALLENGES.

We've invested over £6bn of our capital in the infrastructure and long-term fabric of the UK.



▶ ANNUAL GENERAL MEETING.

OUR BOARD.



LINDSAY TOMLINSON

Independent Non-Executive Director



OLAF SWANTEE

Independent Non-Executive Director



RICHARD MEDDINGS

Independent Non-Executive Director



CAROLYN BRADLEY

Independent Non-Executive Director

▶ ANNUAL GENERAL MEETING.

OUR BOARD.



NIGEL WILSON

Group Chief Executive



MARK GREGORY

Chief Financial Officer



MARK ZINKULA

Chief Executive Officer,
Legal & General
Investment Management

▶ ANNUAL GENERAL MEETING.

**JOHN
POLLOCK.**



JOHN POLLOCK

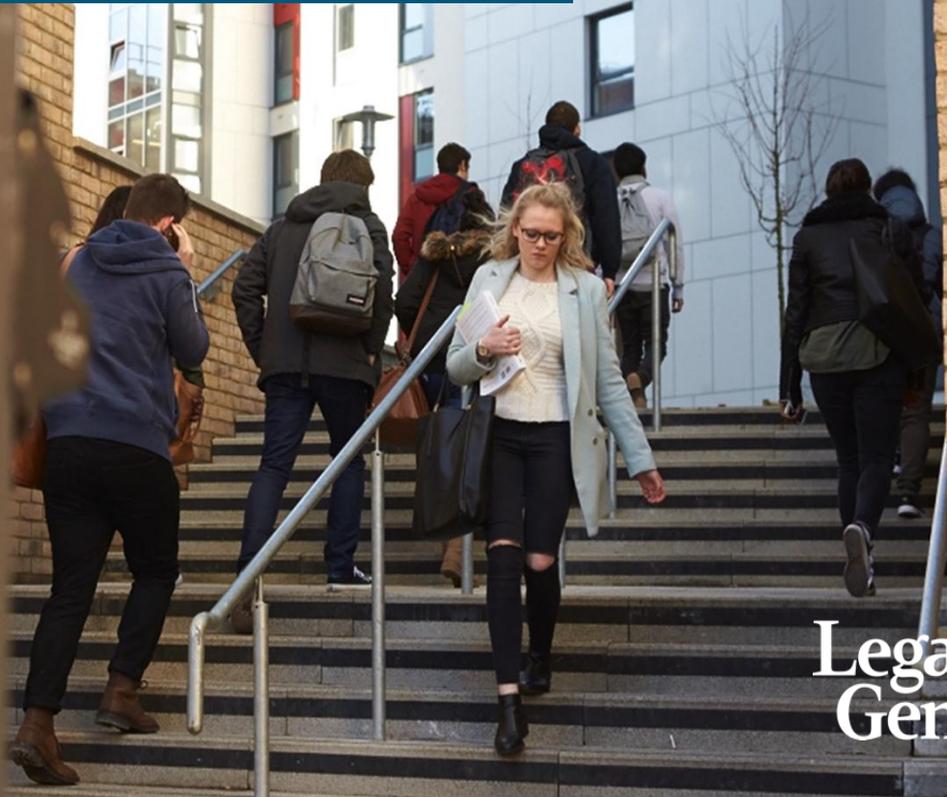
Chief Executive Officer,
Legal & General
Assurance Society

LEGAL & GENERAL HAS HUGE STRENGTHS.

**A POSITIVE
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**NIGEL WILSON.
GROUP CHIEF EXECUTIVE.**



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▶ FINANCIAL HIGHLIGHTS.

Annuity assets

£44bn

(2013: £34bn)

+28%

LGIM assets

£709bn

(2013: £612bn)

+16%

UK Protection GWP

£1.4bn

(2013: £1.3bn)

+6%

Net cash generation

£1,104m

(2013: £1,002m)

+10%

Operational cash generation

£1,101m

(2013: £1,042m)

+6%

Operating profit

£1,275m

(2013: £1,158m)

+10%

Profit before tax

£1,238m

(2013: £1,144m)

+8%

Profit after tax

£992m

(2013: £906m)

+9%

Earnings per share

16.70p

(2013: 15.20p)

+10%

IFRS return on equity

16.9%

(2013: 16.1%)

Full year dividend

11.25p

(2013: 9.30p)

+21%

Net cash dividend cover

1.65 times

(2013: 1.82 times)

CLEAR AND FOCUSED STRATEGY

GROWTH DRIVERS	2015 ACHIEVEMENTS TO DATE
AGEING POPULATIONS	<ul style="list-style-type: none">• LGR assets up 19% to £45.6bn• Workplace assets up 43% to £13bn• LDI assets of £304bn, up 24%
GLOBALISATION OF ASSET MARKETS	<ul style="list-style-type: none">• International assets of £126.4bn, up 92%*• First US Index mandate win• Further mandate wins in Asia
WELFARE REFORMS	<ul style="list-style-type: none">• UK protection premiums of £372m, up 5%• Market leading retail protection business• Winning major new workplace accounts e.g. John Lewis
DIGITAL LIFESTYLES	<ul style="list-style-type: none">• Retail protection straight through processing over 80%• Platforms assets of £76bn, up 16%• Launched Direct self-service platform in Workplace for SMEs
BANK RETRENCHMENT	<ul style="list-style-type: none">• £6.3bn of direct investments, up 62%. This includes 50% purchase of MediaCity UK• Entered the UK Private Rented Sector• Started SME Lending through Pemberton Asset Management (40% owned)

* Growth includes transfer of c.\$60bn index funds to the US in 2014.

Q1 2015 HIGHLIGHTS.

EARNINGS

	Q1 2015	Q1 2014	GROWTH %
Operational cash generation (£m)	330	297	↑ 11
New business (strain)/surplus (£m)	(4)	4	n/a
Net cash generation (£m)	326	301	↑ 8

GROWTH

	Q1 2015	Q1 2014	GROWTH %
Annuity assets (£bn)	45.6	38.3	↑ 19
Annuity sales (£bn)	0.8	3.3	↓ (77)
LGIM total assets (£bn)	736.8	630.9	↑ 17
LGIM total international assets (£bn)	126.4	66.0	↑ 92
External AUM net flows (£bn)	4.3	6.6	↓ (35)
Workplace AUA (£bn)	13.0	9.1	↑ 43
LGIM Revenue (£m)	170	151	↑ 13
UK protection gross premiums (£m)	372	353	↑ 5
Savings AUA (£bn)	113.2	101.8	↑ 11
Group-wide direct investments (£bn)	6.3	3.9	↑ 62
LGA gross premiums (\$m)	283	269	↑ 5

▶ LONG TERM DIRECT INVESTMENTS.



£15bn

Direct investment programme,
with £6.3 billion invested to date



We've already made multi-million investments into student accommodation over the last three years, funding high-quality developments, with long leases, backed by premium universities in first-class locations."

Transport and Logistics: £320m,
maturities to 30 years

Aberdeen international business park:
£127m investment, 335,000sq ft office
space

Places for people:
£252m, acquiring 4,000 homes,
building 7,000 houses, 50 year
lease

English Cities Fund
schemes in Liverpool,
Plymouth, Canning Town,
Salford and Wakefield:
over 5.4m sq ft of mixed-use
space, brownfield land

CALA Homes:
£210m investment (47% stake), further
£200m for Banner Homes

Royal Liverpool University Hospital:
£429m rebuild

Hyde Housing Group:
£102m investment
15 year facility

Thames Valley Housing:
£40m, 25 year facility enabling
500 affordable homes

Sentinel Housing:
private placement
(registered social
housing provider
in Hampshire)

Methodist Care Homes:
£70m investment, 30 year lease

University of Southampton:
£93m, 1,104 beds, 40 years income



PROVIDING OUR RETIREMENT CUSTOMERS WITH FREEDOM AND CHOICE.

Housing, Lifetime Mortgages

- Retirement housing for the c4 million people looking to right size
- Entered the UK lifetime mortgage market, the over 60's having £1.3trn of housing equity.

newlife
equity release

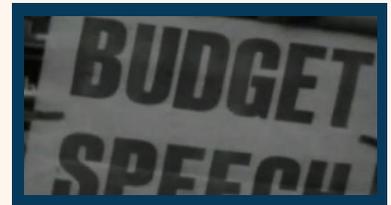
Freedom & Choice

- Cash-Out Retirement Plan
- Fixed Term Retirement Plan
- Secondary Annuity Auctions



Policy Changes

- 2014: “No-one will have to buy an annuity” George Osborne
- 2016: Secondary market for annuities to be introduced



▶ SUSTAINED GROWTH.

2009 – 2014

Bolt-on M&A
Organic growth
Cash focus

5 key macro trends

2014: EPS 16.70p, DPS 11.25p, ROE 16.9%,
Net cash £1.1bn

2015 – 2019

- Doubling size of LGIMA assets from \$138bn to \$275bn
- Direct investments to exceed £15bn
- Establishing LGR's international business
- Grow UK GWP at twice UK GDP
- Building market leading position in UK DC
- Creating new business segment in housing and urban regeneration
- Launching a mobile business to drive customer growth in UK and internationally (Africa and Asia)
- Leading welfare reform with new savings and insurance products
- Reducing operating costs in nominal terms

Bolt-on M&A
Organic growth
Cash focus

5 key macro trends

2019: EPS, DPS, ROE, Net cash

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CHAIRMAN.**



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**ANY
QUESTIONS.**

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▶ YOUR VOTE.



**THANK YOU.
ANNUAL GENERAL MEETING.**

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