

Stock Exchange Release
04 November 2015

LEGAL & GENERAL: NET CASH UP 14%, LGIM NET FLOWS OF £21.7BN

GROUP HIGHLIGHTS:

- **NET CASH GENERATION UP 14% TO £943M (Q3 YTD 2014: £827M)**
- **OPERATIONAL CASH GENERATION UP 11% TO £936M (Q3 YTD 2014: £844M)**

BUSINESS HIGHLIGHTS:

- **LGIM AUM UP 8% TO £717.0BN (Q3 2014: £662.1BN)**
- **LGIM EXTERNAL NET FLOWS UP 161% TO £21.7BN (Q3 YTD 2014: £8.3BN)**
- **ANNUITY ASSETS UP 8% TO £43.1BN (Q3 2014: £39.9BN)**
- **UK PROTECTION PREMIUMS UP 3% TO £1,109M (Q3 YTD 2014: £1,077M)**
- **SAVINGS AUA OF £104.9BN (Q3 2014: £102.7BN)**
- **DIRECT INVESTMENTS UP 43% TO £6.6BN (Q3 2014: £4.6BN)**
- **LGA PREMIUMS UP 6% TO \$877M (Q3 YTD 2014: \$824M)**

Nigel Wilson, Group Chief Executive, said:

“Legal & General’s scale and growing international business, coupled with strategic clarity and financial discipline, has driven a strong performance, particularly in our asset management businesses, resulting in net cash up 14% at £943m.

LGIM’s growth both in the UK and internationally has accelerated this year. Net flows of £21.7bn include mandates from the US, China, Korea and Taiwan and exclude the £13bn of assets from the National Grid Pension Scheme transferring this month. UK Defined Contribution pension assets under management are now over £43bn, with further mandates including John Lewis still to fund. LGIM’s AUM is £717bn, and is the 15th largest asset manager globally.

LGR has attractive UK growth opportunities and is using its unique skillset to expand into both the US and European pension risk transfer markets. We have written our first US transaction in October – a \$450m BPA deal for Royal Philips, and should enter the European market shortly. Lifetime Mortgage applications have increased to around £10m per week.

LGC is focused on attractive financial opportunities in urban regeneration, housing, alternative finance and clean energy. Urban regeneration schemes are progressing well in Bracknell, Canning Town, Cardiff, Leeds, Manchester and Salford. We entered the build-to-rent market and CALA Homes produced record operating profits of £73m.

External political and regulatory uncertainties remain, but we believe that by aligning our strategy to macro trends we have created a high degree of resilience in our business model and are well positioned for further growth.”

GROUP CASH GENERATION

£m				
9 months to 30 September		Q3 2015	Q3 2014	Growth %
Operational cash generation		936	844	11%
New business surplus / (strain)		7	(17)	n/a
Net cash generation		943	827	14%

LEGAL & GENERAL RETIREMENT (LGR)

£bn				
9 months to 30 September		Q3 2015	Q3 2014	Growth %
Annuity assets		43.1	39.9	8
Annuity sales		1.5	3.9	(61)
Internal transfer from with-profits		-	1.9	n/a
Total annuity transactions		1.5	5.8	(74)
Lifetime mortgage advances (£m)		102	-	n/a

LEGAL & GENERAL INVESTMENT MANAGEMENT (LGIM)

£bn				
9 months to 30 September		Q3 2015	Q3 2014	Growth %
LGIM total AUM ^{1,2}		717.0	662.1	8
LGIM total international AUM		117.8	72.3	63
External AUM net flows		21.7	8.3	161
Workplace AUA		13.1	10.1	30

LEGAL & GENERAL CAPITAL (LGC)

£bn				
9 months to 30 September		Q3 2015	Q3 2014	Growth %
Direct Investments:				
LGC		0.8	0.4	88
LGR		5.2	3.9	35
LGA		0.6	0.3	81
Total direct investments		6.6	4.6	43

INSURANCE

£m				
9 months to 30 September		Q3 2015	Q3 2014	Growth %
UK Protection gross premiums		1,109	1,077	3
UK Protection new business annual premiums		174	178	(2)
General Insurance gross premiums		251	282	(11)

SAVINGS

£bn				
9 months to 30 September		Q3 2015	Q3 2014	Growth %
Savings AUA ³		104.9	102.7	2

LEGAL & GENERAL AMERICA (LGA)

\$m				
9 months to 30 September		Q3 2015	Q3 2014	Growth %
Gross premiums		877	824	6
New business sales		86	117	(26)

1. LGIM total AUM includes £216.6bn (Q3 2014: £185.3bn) of derivative overlay assets associated with the Solutions business.
2. LGIM AUM includes £43.1bn (Q3 2014: £39.9bn) managed on behalf of LGR and £31.3bn (Q3 2014: £33.4bn) managed on behalf of Savings.
3. Savings AUA as at Q3 2014 has been amended to exclude £2.5bn in relation to Legal & General International (Ireland) Limited, which was sold in Q3 2015. AUA at the time of disposal was £2.8bn.

FINANCIAL PERFORMANCE

We have delivered another quarter of strong cash generation. Operational cash for the Group is up 11% to **£936m** in the first nine months of the year (Q3 YTD 2014: £844m). New business surplus of £7m (Q3 YTD 2014: strain of £17m) primarily reflects improved efficiency and increasing scale in UK Protection and Savings, and the implementation of our capital lite strategy for new UK pension risk transfer business. **As a result net cash generation is up 14% at £943m (Q3 2014 YTD: £827m).**

TRADING UPDATE

LEGAL & GENERAL RETIREMENT (LGR)

Total annuity assets increased by 8% to £43.1bn (Q3 2014: £39.9bn). Annuity sales were £1.5bn (Q3 YTD 2014: £3.9bn), with 2014 benefitting from the £3bn buy-in transaction with ICI pension fund.

Bulk annuity sales were £1,238m YTD (Q3 YTD 2014: £3,368m). Q3 was a quieter quarter with completions of £92m (Q3 2014: £233m) from 15 bulk annuity transactions (Q3 2014: 14 transactions). In October 2015 we completed our first US pension de-risking transaction, entering into an agreement to provide retirement payments to 14,000 of Royal Philip's retirees and other former employees for \$900m, shared equally with The Prudential Insurance Company of America. This business has been written by Legal & General America, with the associated asset management for our 50% provided by Legal & General Investment Management America (LGIMA).

Lifetime mortgage completions were £102m YTD (Q3 YTD 2014: £nil) with £65m of advances in Q3 and applications currently running at around £10m per week. Following the Budget reforms to the annuity market, Individual annuity sales were down 48% at £262m (Q3 YTD 2014: £508m). We have seen the proportion of people taking their pension savings as cash increase to 90% from 60% before the introduction of the Pensions Reform legislation. Our average payment size is £12k.

LEGAL & GENERAL INVESTMENT MANAGEMENT (LGIM)

LGIM total assets under management increased 8% to £717.0bn (Q3 2014: £662.1bn) reflecting external net inflows of £21.7bn (Q3 YTD 2014: £8.3bn). In the third quarter, external net inflows were £7.9bn (Q3 2014: £0.2bn outflows), representing the second successive quarter of positive external net flows across all our major asset classes. Our UK retail business had another strong quarter with external net flows of £0.6bn (Q3 2014: £0.0bn).

UK defined contribution (DC) pension assets increased 13% to £43.3bn (Q3 2014: £38.3bn) with assets under administration on our Workplace platform increasing 30% to £13.1bn (Q3 2014: £10.1bn). The UK DC market continues to grow and we have had notable success with large schemes that have come to market this year, including John Lewis, which is still to fund. We have also made significant progress with SMEs, where we have maintained our 50bps price cap for the default fund, providing a highly efficient proposition for smaller companies. In addition we have recently signed a strategic partnership deal with Towers Watson on their LifeSight Platform which is expected to generate significant AUM over the next five years.

We continue to see strong demand for our liability driven investment (LDI) and multi asset strategies. **Solutions assets increased 18% to £322.3bn (Q3 2014: £273.0bn), with external net inflows of £17.1bn (Q3 YTD 2014: £18.0bn),** as companies look to de-risk and manage the volatility associated with legacy defined benefit pension schemes.

In September, we announced an agreement to manage £13bn of assets for the National Grid UK Pension Scheme, which will transfer in November.

LGIM's property business continues to experience demand from retail clients, UK pension funds and international clients, with **net external inflows for the period of £0.6bn (Q3 YTD 2014: £0.5bn).** AUM increased 26% to £16.6bn in Q3 2015 (Q3 2014: £13.2bn).

Total international AUM increased by 63% to £117.8bn (Q3 2014: £72.3bn), with external net flows of £8.0bn (Q3 YTD 2014: £7.1bn). In the US, AUM increased 115% to \$117.0bn (Q3 2014: \$54.4bn), including external net flows of \$8.7bn (Q3 YTD 2014: \$9.4bn) with continued demand for LDI and active fixed income (AFI) asset classes. US AUM includes £37.5bn of index assets transferred from the UK to be managed by the Chicago office in Q4 2014. Our index proposition is now in the early stages of roll out and we successfully won our first multi-billion dollar US index mandate in Q2. In Asia, we won new mandates in Korea and Taiwan which funded in Q3 and have entered the Japanese market through a newly-signed co-operation agreement with Meiji Yasuda, the 3rd largest insurance company in Japan. Through this agreement LGIM will provide global fixed income investment management services to create products primarily for Japanese public and corporate pension funds.

LEGAL & GENERAL CAPITAL (LGC)

LGC increased direct investments as at Q3 to £0.8bn (Q3 2014: £0.4bn), an increase of 88%. Total Group-wide direct investments have increased 43% to £6.6bn (Q3 2014: £4.6bn). LGC is focused on markets where under-investment and limited institutional finance are providing attractive opportunities, namely in **housing, urban regeneration, alternative finance and clean energy.**

Key investments over the quarter include:

- In **housing** LGC is investing in our first 'Build to Rent' schemes in Walthamstow and Salford working in partnership with LGIM's property business. CALA Homes, of which the Group owns 46.5%, produced record annual operating profits of £73m.
- In **urban regeneration** we announced an initial investment of £162m in the regeneration of Thorpe Park, in Leeds. Working with our partners, Scarborough Group, we are developing this 200 acre, mixed-use site. In Cardiff, we announced a joint venture with Rightacres to invest in a £400m regeneration scheme in the city centre.
- In **alternative finance** Pemberton Asset Management, of which LGC owns 40%, announced the successful €447m first close on its European Mid-Market Debt Fund. The fund is looking to build a diversified portfolio of bilateral, club and syndicated loans to UK and European small and medium size enterprises.
- In **clean energy** our current priorities are onshore wind power and solar investment opportunities.

INSURANCE

UK Protection premium increased 3% to £1,109m (Q3 YTD 2014: £1,077m). New business sales reduced marginally to £174m (Q3 YTD 2014: £178m).

Retail Protection sales were £121m (Q3 YTD 2014: £124m) with new business of £42m (Q3 2014: £41m) in Q3. We remain the largest provider of retail protection in the UK and benefit from a highly efficient automated underwriting model and broad distribution reach. The Legal & General Network facilitated over £32bn of mortgages (Q3 YTD 2014: £29bn), reinforcing its position as the leading mortgage club in the market, and our surveying business completed c350k surveys, representing an increase of 93% over Q3 YTD 2014.

Group Protection sales were marginally lower in Q3 at £13m (Q3 2014: £14m). Year to date sales are broadly flat at £53m (Q3 2014 YTD: £54m). General Insurance gross premiums were down 11% to £251m (Q3 YTD 2014: £282m) reflecting disciplined pricing in a competitive market.

Direct retail protection new business sales were £22m, representing 16% growth on Q3 YTD 2014 and now accounts for 18% of new business (Q3 YTD 2014: £19m, 15% of new business). Direct household GWP was £73m, representing 14% growth on Q3 YTD 2014 and now accounts for 29% of gross premiums (Q3 YTD 2014: £64m, 23% of gross premiums).

SAVINGS

Cofunds generated further YTD net flows of £2.6bn (Q3 YTD 2014: £4.0bn) with total AUA up 6% at £73.1bn (Q3 2014: £69.0bn).

Suffolk Life generated net flows of £0.5bn YTD (Q3 YTD 2014: £0.6bn) with AUA now £8.2bn (Q3 2014: £7.5bn).

Mature savings net flows were £(2.4)bn (Q3 YTD 2014: £(2.3)bn) excluding a £2.8bn outflow relating to the disposal of Legal & General International (Ireland) Limited to Canada Life Group in Q3 2015.

LEGAL & GENERAL AMERICA (LGA)

LGA delivered lower Q3 sales of \$24m (Q3 2014: \$39m) following recently introduced price changes. This is in line with guidance provided at the time of our interim results. YTD sales are \$86m (Q3 YTD 2014: \$117m).

More broadly LGA is important to the expansion of the Group in the US, providing back-office support for LGR and the balance sheet through which we will write further US pension risk-transfer business.

TRADING OUTLOOK

Our strategic clarity together with our scale, efficiency and track record of execution mean that we are very well placed to continue to grow the business. External uncertainties, including regulatory change, do remain. We are adapting to these changes and remain focussed on delivering good returns for our shareholders.

In **LGR** we are internationalising our pension risk transfer business with hubs operating in the UK and in the US. Demand for de-risking solutions remains high and we retain a strong pipeline. Actual transaction flows, particularly for large bulk annuity transactions will vary between reporting periods. We expect individual annuities to remain subdued. We are on track to write up to £200m of lifetime mortgages this year and increasing amounts thereafter. We intend to invest £15bn in direct investment across the Group, over the medium term, matching the illiquid nature of our liabilities and solvency capital requirements to deliver more attractive risk adjusted returns to our shareholders.

LGIM is on track to deliver external net inflows of over £30bn for full year 2015. We continue to expand our distribution in the US, Asia, the Gulf and Europe. In UK defined contribution (DC) savings, newly won schemes will add a further 700k people to our existing 1.4 million full service customers by the end of 2016. Demand for LDI, multi asset, real asset and fixed income strategies is expected to remain strong. Retail sales have seen a healthy improvement, with LGIM moving into the top 3 of UK net retail fund sales in the third quarter of 2015.

In **LGC** we are seeing significant opportunities and a strong pipeline across each of our four chosen investment areas; housing; urban regeneration; alternative finance; and clean energy. We anticipate that city devolution will generate further demand and expect to complete at least two more urban regeneration deals in the next 6 months.

In **Insurance** we expect new business volumes across our UK protection business for 2015 to be broadly in line with 2014. We are expanding our digital capabilities, increasing the efficiency of our proposition in a mature and competitive market. In our Direct channel we are launching both 'GI Digital' and 'My Life', mobile and tablet friendly customer platforms for general insurance household customers and retail protection customers respectively.

In **Savings**, following the closure of our with-profits fund to new business in January 2015, we are managing the contribution from our mature savings business, identifying cost efficiencies to compensate for the gradually declining asset base. As part of a strategic review of our digital savings business we will focus on improving operational efficiency in Cofunds.

In **LGA**, we expect new business volumes to be c25% lower for 2015, when compared to 2014, with gross written premium c5% higher. Delivering further cash contribution to the Group will remain a key focus for LGA.

COSTS

We are ahead of our original group-wide target to deliver £80m of operating cost savings this year, reducing costs from £1,250m in 2014. We expect to incur c£40m of restructuring costs in 2015 to deliver these savings.

DISPOSALS

We are continuing to 'declutter' our business model, disposing, exiting and closing businesses that we consider to be non-core or sub-scale. As previously announced we have agreed to sell Legal & General France (LGF) to APICIL Prévoyance. This is expected to complete, subject to regulatory approval, around the end of 2015. Following the disposal of our Irish business in July 2015, we have also entered into agreements, subject to regulatory and other approvals, to sell our Egyptian, Gulf and German businesses.

SOLVENCY II

We have applied to the Prudential Regulatory Authority (PRA) to use our internal model to calculate our Solvency Capital Requirement, transitionals, matching adjustments and deduction and aggregation for Legal & General America. Whilst we have not yet received any feedback in respect of the PRA's decisions, we do expect to obtain approval for these applications. We will report our Solvency II capital position for the first time as part of our full year results in March 2016.

ENQUIRIES**Investors:**

Laura Doyle	Head of Investor Relations	020 3124 2088
Stephen Thomas	Investor Relations Manager	020 3124 2047

Media:

John Godfrey	Corporate Affairs Director	020 3124 2090
Richard King	Head of Group Corporate Communications	020 3124 2095
Michelle Clarke	Tulchan Communications	020 7353 4200

NOTES

A copy of this announcement can be found in “Results”, under the “Financial information” section of our shareholder website at <http://www.legalandgeneralgroup.com/investors/results.cfm>.

There will be a teleconference at 9.00 UK time. Investors should dial +44 (0)20 3059 8125.

Financial Calendar

Date

Preliminary Results 2015

15 March 2016

DEFINITIONS

Operational cash generation is the expected release from in-force business for the UK non-profit Insurance and Savings and LGR businesses, the shareholder’s share of bonuses on with-profits business, the post-tax operating profit on other UK businesses, including the expected investment return on LGC invested assets, and dividends remitted from our international businesses.

Net cash generation is defined as operational cash generation less new business strain.

FORWARD LOOKING STATEMENTS

This announcement may contain certain forward-looking statements relating to Legal & General, 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’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 announcement or any other forward-looking statement it may make.

Asset and premium flows

Legal & General investment management total assets

For the nine months ended 30 September 2015	Index £bn	Active fixed income £bn	Solutions ¹ £bn	Property £bn	Active equities £bn	Total AUM £bn	Advisory assets £bn	Total assets £bn
At 1 January 2015	274.8	103.8	293.3	13.6	8.2	693.7	14.8	708.5
External inflows	25.2	5.8	5.5	1.1	-	37.6		37.6
External outflows	(23.7)	(3.3)	(4.5)	(0.5)	-	(32.0)		(32.0)
Overlay/ advisory net flows	-	-	16.1	-	-	16.1	(3.7)	12.4
External net flows²	1.5	2.5	17.1	0.6	-	21.7	(3.7)	18.0
Internal net flows	(0.3)	(2.3)	-	0.2	(0.3)	(2.7)	-	(2.7)
Total net flows	1.2	0.2	17.1	0.8	(0.3)	19.0	(3.7)	15.3
Cash management movements ³	-	0.9	-	-	-	0.9	-	0.9
Market and other movements ²	(12.1)	1.5	11.9	2.2	(0.1)	3.4	(0.4)	3.0
At 30 September 2015	263.9	106.4	322.3	16.6	7.8	717.0	10.7	727.7
Assets attributable to:								
External						631.0	10.7	641.7
Internal						86.0	-	86.0
Assets attributable to:								
UK						599.2	-	599.2
International ⁴						117.8	10.7	128.5

For the nine months ended 30 September 2014	Index £bn	Active fixed income £bn	Solutions ¹ £bn	Property £bn	Active equities £bn	Total AUM £bn	Advisory assets £bn	Total assets £bn
At 1 January 2014	269.8	89.4	232.5	11.3	8.6	611.6	-	611.6
External inflows	16.6	3.9	6.7	0.9	0.1	28.2		28.2
External outflows	(28.0)	(2.7)	(3.5)	(0.4)	(0.1)	(34.7)		(34.7)
Overlay/ advisory net flows	-	-	14.8	-	-	14.8	0.1	14.9
External net flows²	(11.4)	1.2	18.0	0.5	-	8.3	0.1	8.4
Internal net flows	(0.4)	(0.2)	0.4	0.6	(0.3)	0.1	-	0.1
Total net flows	(11.8)	1.0	18.4	1.1	(0.3)	8.4	0.1	8.5
Acquisition of GIA assets	-	-	-	-	-	-	13.4	13.4
Cash management movements ³	-	(0.5)	-	-	-	(0.5)	-	(0.5)
Market and other movements ²	12.5	7.6	22.1	0.8	(0.4)	42.6	0.7	43.3
At 30 September 2014	270.5	97.5	273.0	13.2	7.9	662.1	14.2	676.3
Assets attributable to:								
External						577.3	14.2	591.5
Internal						84.8	-	84.8
Assets attributable to:								
UK						589.8	-	589.8
International						72.3	14.2	86.5

1. Solutions include liability driven investments, multi-asset funds, and include £216.6bn at 30 September 2015 (Q3 14: £185.3bn) of derivative notional associated with the Solutions business.

2. External net flows exclude movements in overlay assets which have a short maturity period as determined by client agreements and are subject to a higher degree of variability. The total value of these assets at 30 September 2015 was £52.5bn (Q3 14: £41.2bn) and the movement in these assets is included in market and other movements for the Solutions business.

3. Cash management movements include external holdings in money market funds and other cash mandates held for clients' liquidity management purposes.

4. International AUM at 30 September 2015 includes £2.3bn of assets relating to Legal & General France.

Asset and premium flows

Legal & General investment management total assets (continued)

For the year ended 31 December 2014	Index £bn	Active fixed income £bn	Solu- tions ¹ £bn	Property £bn	Active equities £bn	Total AUM £bn	Advisory assets £bn	Total assets £bn
As at 1 January 2014	269.8	89.4	232.5	11.3	8.6	611.6	-	611.6
External inflows	23.7	5.5	8.5	1.4	0.1	39.2		39.2
External outflows	(39.5)	(3.8)	(6.6)	(0.5)	(0.1)	(50.5)		(50.5)
Overlay/ advisory net flows	-	-	18.8	-	-	18.8	(0.2)	18.6
External net flows²	(15.8)	1.7	20.7	0.9	-	7.5	(0.2)	7.3
Internal net flows	(0.2)	(0.5)	0.4	0.7	(0.1)	0.3	-	0.3
Total net flows	(16.0)	1.2	21.1	1.6	(0.1)	7.8	(0.2)	7.6
Acquisition of GIA assets	-	-	-	-	-	-	13.4	13.4
Cash management movements ³	-	(1.6)	-	-	-	(1.6)	-	(1.6)
Market and other movements ²	21.0	14.8	39.7	0.7	(0.3)	75.9	1.6	77.5
As at 31 December 2014	274.8	103.8	293.3	13.6	8.2	693.7	14.8	708.5
Assets attributable to:								
External						603.7	14.8	618.5
Internal						90.0	-	90.0
Assets attributable to:								
UK						579.7	-	579.7
International						114.0	14.8	128.8

1. Solutions include liability driven investments, multi-asset funds and included £194.6bn at 31 December 2014 of derivative notionals associated with the Solutions business.

2. External net flows exclude movements in short term overlay assets, with maturity as determined by client agreements and are subject to a higher degree of variability. The total value of these assets at 31 December 2014 was £46.5bn and the movement in these assets is included in market and other movements for the Solutions business.

3. Cash management movements include external holdings in money market funds and other cash mandates held for clients' liquidity management purposes.

Asset and premium flows

Legal & General investment management total assets quarterly progression

For the nine months ended 30 September 2015	Index £bn	Active fixed income £bn	Solu- tions ¹ £bn	Property £bn	Active equities £bn	Total AUM £bn	Advisory assets £bn	Total assets £bn
At 1 January 2015	274.8	103.8	293.3	13.6	8.2	693.7	14.8	708.5
External inflows	6.8	2.3	1.4	0.3	-	10.8		10.8
External outflows	(8.3)	(1.6)	(1.6)	(0.1)	-	(11.6)		(11.6)
Overlay/ advisory net flows	-	-	5.1	-	-	5.1	(1.2)	3.9
External net flows²	(1.5)	0.7	4.9	0.2	-	4.3	(1.2)	3.1
Internal net flows	-	(0.6)	-	0.2	(0.1)	(0.5)	-	(0.5)
Total net flows	(1.5)	0.1	4.9	0.4	(0.1)	3.8	(1.2)	2.6
Cash management movements ³	-	1.7	-	-	-	1.7	-	1.7
Market and other movements ²	11.3	4.8	5.8	1.3	0.1	23.3	0.7	24.0
At 31 March 2015	284.6	110.4	304.0	15.3	8.2	722.5	14.3	736.8
External inflows	9.1	2.5	2.5	0.4	-	14.5		14.5
External outflows	(8.8)	(0.9)	(1.8)	(0.2)	-	(11.7)		(11.7)
Overlay/ advisory net flows	-	-	6.7	-	-	6.7	(2.3)	4.4
External net flows²	0.3	1.6	7.4	0.2	-	9.5	(2.3)	7.2
Internal net flows	(0.3)	(0.2)	-	-	(0.2)	(0.7)	-	(0.7)
Total net flows	-	1.4	7.4	0.2	(0.2)	8.8	(2.3)	6.5
Cash management movements ³	-	-	-	-	-	-	-	-
Market and other movements ²	(9.9)	(4.5)	(3.2)	0.3	0.6	(16.7)	(0.7)	(17.4)
At 30 June 2015	274.7	107.3	308.2	15.8	8.6	714.6	11.3	725.9
External inflows	9.3	1.0	1.6	0.4	-	12.3		12.3
External outflows	(6.6)	(0.8)	(1.1)	(0.2)	-	(8.7)		(8.7)
Overlay / advisory net flows	-	-	4.3	-	-	4.3	(0.2)	4.1
External net flows²	2.7	0.2	4.8	0.2	-	7.9	(0.2)	7.7
Internal net flows	-	(1.5)	-	-	-	(1.5)	-	(1.5)
Total net flows	2.7	(1.3)	4.8	0.2	-	6.4	(0.2)	6.2
Cash management movements ³	-	(0.8)	-	-	-	(0.8)	-	(0.8)
Market and other movements ²	(13.5)	1.2	9.3	0.6	(0.8)	(3.2)	(0.4)	(3.6)
At 30 September 2015	263.9	106.4	322.3	16.6	7.8	717.0	10.7	727.7

1. Solutions include liability driven investments, multi-asset funds and include £216.6bn at 30 September 2015 (Q2 15: £208.1bn; Q1 15: £197.1bn) of derivative notional associated with the Solutions business.

2. External net flows exclude movements in overlay assets which have a short maturity period as determined by client agreements and are subject to a higher degree of variability. The total value of these assets at 30 September 2015 is £52.5bn (Q2 15: £48.2bn; Q1 15: £44.0bn) and the movement in these assets is included in market and other movements for the Solutions business.

3. Cash management movements include external holdings in money market funds and other cash mandates held for clients' liquidity management purposes.

Asset and premium flows

Legal & General investment management total assets quarterly progression (continued)

For the year ended 31 December 2014	Index £bn	Active fixed income £bn	Solu- tions ¹ £bn	Property £bn	Active equities £bn	Total AUM £bn	Advisory assets £bn	Total assets £bn
At 1 January 2014	269.8	89.4	232.5	11.3	8.6	611.6	-	611.6
External inflows	4.9	1.4	2.4	0.3	-	9.0		9.0
External outflows	(5.8)	(0.5)	(1.2)	(0.1)	-	(7.6)		(7.6)
Overlay/ advisory net flows	-	-	5.2	-	-	5.2	-	5.2
External net flows²	(0.9)	0.9	6.4	0.2	-	6.6	-	6.6
Internal net flows	-	2.0	-	0.5	(0.1)	2.4	-	2.4
Total net flows	(0.9)	2.9	6.4	0.7	(0.1)	9.0	-	9.0
Cash management movements ³	-	-	-	-	-	-	-	-
Market and other movements ²	1.5	2.9	5.9	(0.1)	0.1	10.3	-	10.3
At 31 March 2014	270.4	95.2	244.8	11.9	8.6	630.9	-	630.9
External inflows	6.1	1.5	2.8	0.3	0.1	10.8		10.8
External outflows	(13.5)	(1.4)	(0.9)	(0.1)	(0.1)	(16.0)		(16.0)
Overlay/ advisory net flows	-	-	7.1	-	-	7.1	0.1	7.2
External net flows²	(7.4)	0.1	9.0	0.2	-	1.9	0.1	2.0
Internal net flows	(0.1)	(1.3)	0.5	0.2	(0.1)	(0.8)	-	(0.8)
Total net flows	(7.5)	(1.2)	9.5	0.4	(0.1)	1.1	0.1	1.2
Acquisition of GIA assets	-	-	-	-	-	-	13.4	13.4
Cash management movements ³	-	0.2	-	-	-	0.2	-	0.2
Market and other movements ²	5.8	3.0	(1.2)	0.5	(0.3)	7.8	0.2	8.0
At 30 June 2014	268.7	97.2	253.1	12.8	8.2	640.0	13.7	653.7
External inflows	5.6	1.0	1.5	0.3	-	8.4		8.4
External outflows	(8.7)	(0.8)	(1.4)	(0.2)	-	(11.1)		(11.1)
Overlay/ advisory net flows	-	-	2.5	-	-	2.5	-	2.5
External net flows²	(3.1)	0.2	2.6	0.1	-	(0.2)	-	(0.2)
Internal net flows	(0.3)	(0.9)	(0.1)	(0.1)	(0.1)	(1.5)	-	(1.5)
Total net flows	(3.4)	(0.7)	2.5	-	(0.1)	(1.7)	-	(1.7)
Cash management movements ³	-	(0.7)	-	-	-	(0.7)	-	(0.7)
Market and other movements ²	5.2	1.7	17.4	0.4	(0.2)	24.5	0.5	25.0
At 30 September 2014	270.5	97.5	273.0	13.2	7.9	662.1	14.2	676.3
External inflows	7.1	1.6	1.8	0.5	-	11.0		11.0
External outflows	(11.5)	(1.1)	(3.1)	(0.1)	-	(15.8)		(15.8)
Overlay/ advisory net flows	-	-	4.0	-	-	4.0	(0.3)	3.7
External net flows²	(4.4)	0.5	2.7	0.4	-	(0.8)	(0.3)	(1.1)
Internal net flows	0.2	(0.3)	-	0.1	0.2	0.2	-	0.2
Total net flows	(4.2)	0.2	2.7	0.5	0.2	(0.6)	(0.3)	(0.9)
Cash management movements ³	-	(1.1)	-	-	-	(1.1)	-	(1.1)
Market and other movements ²	8.5	7.2	17.6	(0.1)	0.1	33.3	0.9	34.2
At 31 December 2014	274.8	103.8	293.3	13.6	8.2	693.7	14.8	708.5

1. Solutions include liability driven investments, multi-asset funds, and include £194.6bn at 31 December 2014 (Q1 14: £168.3bn; H1 14: £174.9bn; Q3 14: £185.3bn) of derivative notionals associated with the Solutions business.

2. External net flows exclude movements in overlay assets, with maturity as determined by client agreements and are subject to a higher degree of variability. The total value of these assets at 31 December 2014 was £46.5bn (Q1 14: £33.8bn; H1 14: £33.3bn; Q3 14: £41.2bn) and the movement in these assets is included in market and other movements for the Solutions business.

3. Cash management movements include external holdings in money market funds and other cash mandates held for clients' liquidity management purposes.

Asset and premium flows

Legal & General investment management total assets quarterly progression (continued)

	As at 30.09.15 £bn	As at 30.06.15 £bn	As at 31.03.15 £bn	As at 31.12.14 £bn	As at 30.09.14 £bn	As at 30.06.14 £bn	As at 31.03.14 £bn
Total assets attributable to:¹							
External	641.7	636.1	644.5	618.5	591.5	570.3	547.8
Internal	86.0	89.8	92.3	90.0	84.8	83.4	83.1
Total assets attributable to:¹							
UK	599.2	598.8	610.4	579.7	589.8	570.8	564.9
International ²	128.5	127.1	126.4	128.8	86.5	82.9	66.0

1. Total assets at 30 September 2015 include £10.7bn of advisory assets (Q2 15: £11.3bn; Q1 15: £14.3bn; Q4 14: £14.8bn; Q3 14: £14.2bn; H1 14: £13.7bn; Q1 14: £nil).

2. In Q4 14, International assets included £37.5bn of assets transferred from our London office to our Chicago office.

Legal & General investment management total external assets under management net flows

	3 months to 30.09.15 £bn	3 months to 30.06.15 £bn	3 months to 30.03.15 £bn	3 months to 31.12.14 £bn	3 months to 30.09.14 £bn	3 months to 30.06.14 £bn	3 months to 31.03.14 £bn
LGIM total external AUM net flows¹	7.9	9.5	4.3	(0.8)	(0.2)	1.9	6.6
Attributable to:							
International	2.6	4.6	0.8	1.6	1.3	2.4	3.4
UK Institutional							
- Defined contribution	0.8	0.6	0.4	0.9	0.7	0.5	0.6
- Defined benefit	3.9	4.0	3.1	(3.6)	(2.2)	(1.2)	2.3
UK Retail	0.6	0.3	-	0.3	-	0.2	0.3

1. External net flows exclude movements in short term overlay assets, with maturity as determined by client agreements and cash management movements.

Asset and premium flows

Assets under administration

For the nine months ended 30 September 2015	Digital			Consolidation adjustment ⁴ £bn	Total Savings £bn	LGIM			
	Platforms £bn	Suffolk Life £bn	Mature Retail Savings ^{2,3} £bn			France and Netherlands ⁵ £bn	Workplace £bn	Retail Investments ⁵ £bn	Annuities £bn
At 1 January 2015	71.9	7.7	36.0	(6.9)	108.7	4.4	11.1	21.3	44.2
Gross inflows ¹	6.5	0.9	0.8	(0.4)	7.8	0.3	2.2	4.7	1.7
Gross outflows	(3.9)	(0.4)	(6.0)	0.6	(9.7)	(0.2)	(0.5)	(4.2)	-
Payments to pensioners	-	-	-	-	-	-	-	-	(2.0)
Net flows	2.6	0.5	(5.2)	0.2	(1.9)	0.1	1.7	0.5	(0.3)
Market and other movements	(1.4)	-	(0.6)	0.1	(1.9)	(0.3)	0.3	0.4	(0.8)
At 30 September 2015	73.1	8.2	30.2	(6.6)	104.9	4.2	13.1	22.2	43.1

For the nine months ended 30 September 2014	Digital			Consolidation adjustment ⁴ £bn	Total Savings £bn	LGIM			
	Platforms £bn	Suffolk Life £bn	Mature Retail Savings ² £bn			France and Netherlands £bn	Workplace £bn	Retail Investments ⁵ £bn	Annuities £bn
As at 1 January 2014	64.1	6.6	36.3	(6.8)	100.2	4.5	8.7	20.5	34.4
Gross inflows ¹	7.6	1.0	1.1	(0.4)	9.3	0.3	2.0	3.1	3.9
Gross outflows	(3.6)	(0.4)	(3.4)	0.6	(6.8)	(0.3)	(0.5)	(3.7)	-
Payments to pensioners	-	-	-	-	-	-	-	-	(1.6)
Net flows	4.0	0.6	(2.3)	0.2	2.5	-	1.5	(0.6)	2.3
Market and other movements	0.9	0.3	1.5	(0.2)	2.5	(0.1)	(0.1)	0.8	3.2
At 30 September 2014	69.0	7.5	35.5	(6.8)	105.2	4.4	10.1	20.7	39.9

For the year ended ended 31 December 2014	Digital			Consolidation adjustment ⁴ £bn	Total Savings £bn	LGIM			
	Platforms £bn	Suffolk Life £bn	Mature Retail Savings ² £bn			France and Netherlands £bn	Workplace £bn	Retail Investments ⁵ £bn	Annuities £bn
At 1 January 2014	64.1	6.6	36.3	(6.8)	100.2	4.5	8.7	20.5	34.4
Gross inflows ¹	10.1	1.3	1.4	(0.5)	12.3	0.4	2.8	4.4	6.5
Gross outflows	(4.7)	(0.5)	(4.4)	0.7	(8.9)	(0.4)	(0.6)	(4.8)	-
Payments to pensioners	-	-	-	-	-	-	-	-	(2.1)
Net flows	5.4	0.8	(3.0)	0.2	3.4	-	2.2	(0.4)	4.4
Market and other movements	2.4	0.3	2.7	(0.3)	5.1	(0.1)	0.2	1.2	5.4
At 31 December 2014	71.9	7.7	36.0	(6.9)	108.7	4.4	11.1	21.3	44.2

1. Platforms gross inflows include Cofunds institutional net flows. Total Q3 15 Platforms comprise £36.5bn (Q3 14: £33.7bn; FY 14: £38.3bn) of retail assets and £36.6bn (Q3 14: £31.6bn; FY 14: £33.6bn) of assets held on behalf of institutional clients.

2. Mature Retail Savings products include with-profits products, bonds and retail pensions.

3. Gross outflows at 30 September 2015 include £2.8bn of assets relating to Legal & General International (Ireland) Limited, which was sold to Canada Life Group on 1 July 2015.

4. Consolidation adjustment represents Suffolk Life and Mature Retail Savings assets included in the Platforms column.

5. Total AUA at 30 September 2015 includes £2.7bn of assets relating to Legal & General France.

6. Q3 15 Retail Investments include £1.9bn (Q3 14: £1.6bn; FY 14: £1.7bn) of LGIM unit trust assets held on our Cofunds platform and £3.1bn (Q3 14: £3.2bn; FY 14: £3.2bn) of LGIM unit trust assets held on our IPS platform.

Asset and premium flows

Assets under administration quarterly progression

For the nine months ended 30 September 2015	Digital			Consolidation adjustment ⁴ £bn	Total Savings £bn	LGIM			Annuities £bn
	Platforms £bn	Suffolk Life £bn	Mature Retail Savings ^{2,3} £bn			France and Netherlands ⁵ £bn	Workplace £bn	Retail Investments ⁶ £bn	
At 1 January 2015	71.9	7.7	36.0	(6.9)	108.7	4.4	11.1	21.3	44.2
Gross inflows ¹	1.9	0.3	0.3	-	2.5	0.1	0.6	1.5	0.8
Gross outflows	(1.2)	(0.1)	(0.9)	0.2	(2.0)	(0.1)	(0.1)	(1.6)	-
Payments to pensioners	-	-	-	-	-	-	-	-	(0.6)
Net flows	0.7	0.2	(0.6)	0.2	0.5	-	0.5	(0.1)	0.2
Market and other movements	3.4	0.3	0.7	(0.4)	4.0	(0.1)	1.4	1.2	1.2
At 31 March 2015	76.0	8.2	36.1	(7.1)	113.2	4.3	13.0	22.4	45.6
Gross inflows ¹	1.9	0.3	0.4	(0.2)	2.4	0.1	0.6	1.5	0.7
Gross outflows	(1.5)	(0.2)	(1.3)	0.2	(2.8)	(0.1)	(0.2)	(1.4)	-
Payments to pensioners	-	-	-	-	-	-	-	-	(0.7)
Net flows	0.4	0.1	(0.9)	-	(0.4)	-	0.4	0.1	-
Market and other movements	(1.8)	-	(0.4)	0.2	(2.0)	(0.1)	(0.3)	-	(2.2)
At 30 June 2015	74.6	8.3	34.8	(6.9)	110.8	4.2	13.1	22.5	43.4
Gross inflows ¹	2.7	0.3	0.1	(0.2)	2.9	0.1	1.0	1.7	0.2
Gross outflows	(1.2)	(0.1)	(3.8)	0.2	(4.9)	-	(0.2)	(1.2)	-
Payments to pensioners	-	-	-	-	-	-	-	-	(0.7)
Net flows	1.5	0.2	(3.7)	-	(2.0)	0.1	0.8	0.5	(0.5)
Market and other movements	(3.0)	(0.3)	(0.9)	0.3	(3.9)	(0.1)	(0.8)	(0.8)	0.2
At 30 September 2015	73.1	8.2	30.2	(6.6)	104.9	4.2	13.1	22.2	43.1

1. Platforms gross inflows include Cofunds institutional net flows. Total Q3 15 Platforms comprise £36.5bn (Q2 15: £37.9bn; Q1 15: £38.8bn) of retail assets and £36.6bn (Q2 15: £36.7bn; Q1 15: £37.2bn) of assets held on behalf of institutional clients.

2. Mature Retail Savings products include with-profits products, bonds and retail pensions.

3. Gross outflows at 30 September 2015 include £2.8bn of assets relating to Legal & General International (Ireland) Limited, which was sold to Canada Life Group on 1 July 2015.

4. Consolidation adjustment represents Suffolk Life and Mature Retail Savings assets included in the Platforms column.

5. Total AUA at 30 September 2015 includes £2.7bn of assets relating to Legal & General France.

6. At 30 September 2015 Retail Investments include £1.9bn (Q2 15: £1.8bn; Q1 15: £1.8bn) of LGIM unit trust assets held on our Cofunds platform and £3.1bn (Q2 15: £3.3bn; Q1 15: £3.4bn) of LGIM unit trust assets held on our IPS platform.

Asset and premium flows

Assets under administration quarterly progression (continued)

For the year ended 31 December 2014	Digital			Consol- idation adjust- ment ³ £bn	Total Savings £bn	LGIM			
	Platforms £bn	Suffolk Life £bn	Mature Retail Savings ² £bn			France and Nether- lands £bn	Work- place £bn	Retail Invest- ments ⁴ £bn	Annuities £bn
At 1 January 2014	64.1	6.6	36.3	(6.8)	100.2	4.5	8.7	20.5	34.4
Gross inflows ¹	2.6	0.3	0.4	(0.1)	3.2	0.1	0.7	1.0	3.3
Gross outflows	(1.1)	(0.1)	(1.1)	0.2	(2.1)	(0.1)	(0.2)	(0.9)	-
Payments to pensioners	-	-	-	-	-	-	-	-	(0.5)
Net flows	1.5	0.2	(0.7)	0.1	1.1	-	0.5	0.1	2.8
Market and other movements	-	0.1	0.5	(0.1)	0.5	(0.1)	(0.1)	0.2	1.1
At 31 March 2014	65.6	6.9	36.1	(6.8)	101.8	4.4	9.1	20.8	38.3
Gross inflows ¹	2.2	0.3	0.3	(0.1)	2.7	0.1	0.6	0.9	0.2
Gross outflows	(1.2)	(0.1)	(1.1)	0.2	(2.2)	(0.1)	(0.1)	(1.5)	-
Payments to pensioners	-	-	-	-	-	-	-	-	(0.5)
Net flows	1.0	0.2	(0.8)	0.1	0.5	-	0.5	(0.6)	(0.3)
Market and other movements	0.8	0.1	0.6	-	1.5	0.1	(0.1)	0.4	0.5
At 30 June 2014	67.4	7.2	35.9	(6.7)	103.8	4.5	9.5	20.6	38.5
Gross inflows ¹	2.8	0.4	0.4	(0.2)	3.4	0.1	0.7	1.2	0.4
Gross outflows	(1.3)	(0.2)	(1.2)	0.2	(2.5)	(0.1)	(0.2)	(1.3)	-
Payments to pensioners	-	-	-	-	-	-	-	-	(0.6)
Net flows	1.5	0.2	(0.8)	-	0.9	-	0.5	(0.1)	(0.2)
Market and other movements	0.1	0.1	0.4	(0.1)	0.5	(0.1)	0.1	0.2	1.6
At 30 September 2014	69.0	7.5	35.5	(6.8)	105.2	4.4	10.1	20.7	39.9
Gross inflows ¹	2.5	0.3	0.3	(0.1)	3.0	0.1	0.8	1.3	2.6
Gross outflows	(1.1)	(0.1)	(1.0)	0.1	(2.1)	(0.1)	(0.1)	(1.1)	-
Payments to pensioners	-	-	-	-	-	-	-	-	(0.5)
Net flows	1.4	0.2	(0.7)	-	0.9	-	0.7	0.2	2.1
Market and other movements	1.5	-	1.2	(0.1)	2.6	-	0.3	0.4	2.2
At 31 December 2014	71.9	7.7	36.0	(6.9)	108.7	4.4	11.1	21.3	44.2

1. Platforms gross inflows include Cofunds institutional net flows. At 31 December 2014 Platforms comprise £38.3bn (Q1 14: £36.6bn; H1 14: £37.3bn; Q3 14: £37.4bn) of retail assets and £33.6bn (Q1 14: £29.0bn; H1 14: £30.1bn; Q3 14: £31.6bn) of assets held on behalf of institutional clients.

2. Mature Retail Savings products include with-profits products, bonds and retail pensions.

3. Consolidation adjustment represents Suffolk Life and Retail Savings assets included in the Platforms column.

4. At 31 December 2014 Retail Investments include £1.7bn (Q1 14: £1.6bn; H1 14: £1.5bn; Q3 14: £1.6bn) of LGIM unit trust assets held on our Cofunds platform and £3.2bn (Q1 14: £3.2bn; H1 14: £3.2bn; Q3 14: £3.2bn) of LGIM unit trust assets held on our IPS platform.

Asset and premium flows

LGR new business

	3 months to 30.09.15 £m	3 months to 30.06.15 £m	3 months to 31.03.15 £m	3 months to 31.12.14 £m	3 months to 30.09.14 £m	3 months to 30.06.14 £m	3 months to 31.03.14 £m
Individual Annuities	82	81	99	83	125	139	244
Bulk Purchase Annuities	92	491	655	2,619	233	90	3,045
Lifetime Mortgage Advances ¹	65	37	-	-	-	-	-
Total LGR new business	239	609	754	2,702	358	229	3,289

1. In Q2 15, £12m of these advances were funded by L&G prior to our acquisition of New Life Home Finance Ltd.

Insurance new business annual premiums

	3 months to 30.09.15 £m	3 months to 30.06.15 £m	3 months to 31.03.15 £m	3 months to 31.12.14 £m	3 months to 30.09.14 £m	3 months to 30.06.14 £m	3 months to 31.03.14 £m
UK Retail Protection	42	41	38	41	41	41	42
UK Group Protection	13	22	18	11	14	20	20
France Protection	-	-	27	-	-	-	33
Netherlands Protection	1	2	1	-	1	-	2
US Protection	15	21	20	21	23	24	23
Total Insurance new business	71	86	104	73	79	85	120

Gross written premiums on Insurance business

	3 months to 30.09.15 £m	3 months to 30.06.15 £m	3 months to 31.03.15 £m	3 months to 31.12.14 £m	3 months to 30.09.14 £m	3 months to 30.06.14 £m	3 months to 31.03.14 £m
UK Retail Protection	285	275	270	273	269	260	254
UK Group Protection	50	127	102	57	65	130	99
General Insurance	87	83	81	95	104	94	84
France Protection	39	42	43	41	41	45	46
Netherlands Protection	11	11	13	9	16	12	14
US Protection	186	202	184	184	162	170	162
Longevity Insurance ¹	81	85	79	82	84	83	84
Total gross written premiums on Insurance business	739	825	772	741	741	794	743

Asset and premium flows

Overseas new business in local currency

	Annual premiums 30.09.15	Single premiums 30.09.15	Annual premiums 30.09.14	Single premiums 30.09.14	Annual premiums 31.12.14	Single premiums 31.12.14
US (US\$m)	86	-	117	-	150	-
Netherlands (€m)	11	59	5	68	10	138
France (€m)	37	208	40	254	41	351
India (Rs m) - Group's 26% interest	358	1,515	342	2,943	408	4,003
Egypt (Pounds m) - Group's 55% interest	91	-	121	-	149	-
Gulf (US\$m) - Group's 50% interest	2	2	2	2	3	5