

CAPITAL REQUIREMENTS (COUNTRY BY COUNTRY REPORTING) REGULATIONS 2016

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:

- Name, nature of activities and geographical location
- Turnover
- Number of employees on a full time equivalent basis
- Profit or loss before tax
- Tax on profit or loss

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
Retail Investments Holding	England	Provision of asset management services
Suffolk Life Pensions ¹	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

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 £m	Rest of Group £m	Total £m	Reference to Group Accounts
Turnover²					
	UK	141	76,315	76,456	
	Other	0	1,513	1,513	
	Total	141	77,828	77,969	Income Statement
Number of employees³					
	UK	106	8,009	8,115	
	Other	0	804	804	
	Total	106	8,813	8,919	Note 36
Profit before Tax²					
	UK	(84)	1,774	1,690	
	Other	0	177	177	
	Total	(84)	1,951	1,867	Income Statement
Tax on profit⁴					
	UK	0	249	249	
	Other	0	16	16	
	Total	0	265	265	Cash Flow Statement
Total tax expense⁵					
	UK	(4)	563	559	
	Other	0	43	43	
	Total	(4)	606	602	Income Statement

1. On 25 May 2016 Suffolk Life Pensions was sold.

2. 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.

3. 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.

4. Number of employees for Suffolk Life Pensions shown in the CRD IV entities section has been adjusted from year-end figure of 126 to 106.

5. 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.

6. Total tax expense represents the total tax charged/(credited) through the Income Statement during the period. The CRD IV numbers are taken from the local entity accounts while the rest of Group numbers are on a consolidated IFRS basis and represent the total in each territory.