

Our contribution to society makes us special

Having announced his decision to step down as Chairman and a Board member, John Stewart talks about his role and what it personally means to him.

When I became Chairman in March 2010, we had just been through one of the deepest recessions on record. At that time I mentioned our strong balance sheet, brand and customer focus, which all contributed to our capacity to generate cash. These strengths are unchanged and have held us in good stead, helping us give shareholders a return of nearly 400% on their investments from March 2010 until the end of 2015.

Our special culture

What's given me the greatest pleasure is to see how we've helped people in wider society. We have the responsibility of managing £746 billion in assets and are the UK's largest manager of pension funds. But we go further than helping people achieve financial security in good times and bad. Our investments have been regenerating our cities. Our community programmes are designed to reach out to the neediest in our communities. I'm really proud of the work of our employees right across the world in helping their local communities and changing people's lives.

Our performance

2015 was a volatile year for global markets. Despite this turbulence, we increased operating profit by 14% to £1,455 million (2014: £1,275 million), with adjusted earnings per share now 18.58p (2014: 16.70p). I'm pleased we now have more clarity on Solvency II, having gained approval for our internal model. With this clarity now achieved, we have agreed a new dividend policy which is set out on pages 32 and 33.

Your Board is recommending a dividend of 13.40p for 2015, 19% higher than 2014, including a final dividend of 9.95p (2014: 8.35p).

Recent Board changes

You can read about all recent Board changes on page 54. During 2015, John Pollock and Lindsay Tomlinson retired from the Board. At the 2016 AGM, Julia Wilson will succeed Rudy Markham as senior independent director and Olaf Swantee will stand down from the Board. Rudy Markham will stay on as a non-executive director until the 2017 AGM. Stuart Popham has indicated his intention to step down from the Board prior to the 2017 AGM. The Company has commenced a search for new independent non-executive directors including a Chair of the Audit Committee. Mark Gregory intends to retire from the company in January 2017. I would like to thank all directors for their contribution.

World class leadership

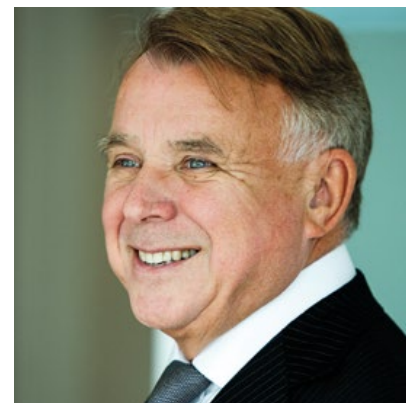
I would like to take this opportunity to thank our fantastic employees and our management team for making Legal & General such a successful UK company. The last six years has seen great change in our business and I've always been impressed by the hard work, professionalism and skills shown by our employees.

A positive future for all

The strategy which has given us so much success remains unchanged. We've benefitted by taking advantage of the opportunities offered by long-term global macro trends. The Board are confident that our financial strength, ambition and our talented leadership team will enable us to succeed and grow in future years. However, economic, political and regulatory uncertainty will continue to remain. I'm looking forward to my last AGM in May and hope to see as many of you as possible there.

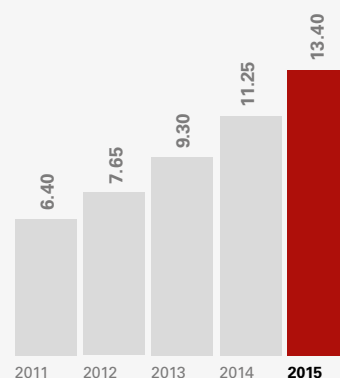


John Stewart,
Chairman



Full year dividend

Five year progress (pence)



Final dividend

9.95p

To be paid on 9 June 2016 (2014: 8.35p). Our dividend policy is described on page 32.

Annual general meeting 2016

11am on 26 May 2016, at the Honourable Artillery Company, Armoury House, City Road, London EC1Y 2BQ