


# OUR GROUP PERFORMANCE

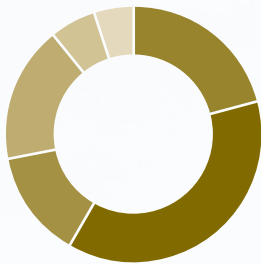
## KEY PERFORMANCE INDICATORS

Key performance indicators (KPIs) are defined as the measures by which the development, performance or position of the business can be measured effectively. The Group Board reviews the KPIs annually and updates them where appropriate.

 Key measure in the remuneration of executives

### Operating profit by business segment

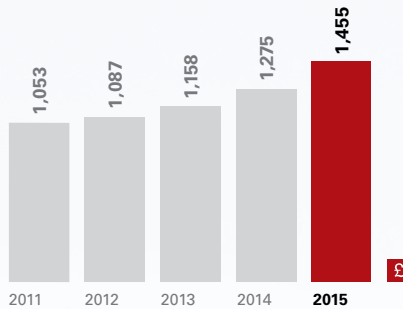
**£1,702m\***



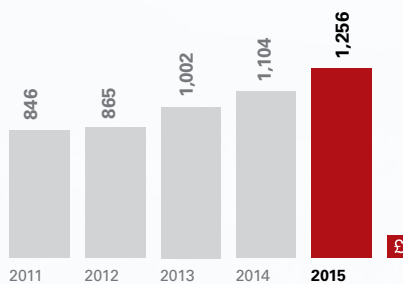
- 21% LGIM
- 37% LGR
- 14% LGC
- 17% Insurance
- 6% Savings
- 5% LGA

\*2015 operating profit of £1,455m includes £1,702m from divisions, less £247m from group level investment projects, interest and expenses.

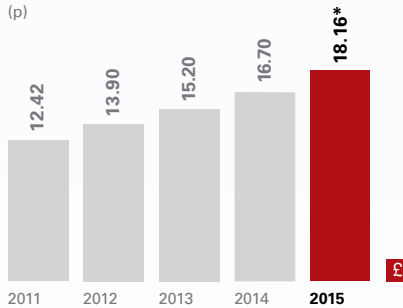
### Operating profit (£m)



### Net cash generation (£m)




### Earnings per share (p)



\*Excluding the £25m loss arising on M&A. The adjusted earnings per share is 18.58p

### Return on equity\*

**17.7%** 

(2014: 16.9%)

\*Represents adjusted return on equity excluding a £25m loss arising on M&A. Unadjusted is 17.3%

### Full year dividend

**13.40p** 

(2014: 11.25p)

### IFRS profit before tax\*

**£1,355m** 

(2014: £1,238m)

\*IFRS profit before tax attributable to equity holders

### Worldwide employee engagement index\*

**64%**

(2014: 78%)

\*Comprises the UK and the US only

### Total shareholder return (TSR)

**114%** 

(2014: 184%)

Over the three-year period ended 31 December 2015

## OTHER INDICATORS OF FINANCIAL STRENGTH

We include other measures here which we use in deciding executive remuneration and which we believe are also integral to the group's performance.

### Solvency II capital surplus

**£5.5bn**

Figures are pre-accrual of proposed final dividend

\* Proforma basis as at 31.12.15

### Solvency II capital coverage ratio

**169%**

\* Proforma basis as at 31.12.15

### Standard & Poor's financial strength

**AA-**

(2014: AA-)

Standard & Poor's financial strength rating for Legal & General Assurance Society Limited

**DETAILED FINANCIAL INFORMATION starts on page 92**