

# Helping customers, shareholders and society

**Our purpose, behaviours and principles guide everything we do. Details of this framework can be found on pages 2 and 3.**

## Financial stability and growth in a rapidly changing world

It is a great privilege to report to you at the end of my first full year as your Chairman. This was a period of further achievement and considerable financial success for the group, building growth in our key asset businesses. I'm delighted to be able to report to you once again that shareholders are benefiting from this success, with a total return for investors over five years to the end of 2017 of 142%. In 2017 the share price increased by 10% over the year. The group's strategy continues to be very successful. As I know from my own visits to many parts of the business, our commitment to being economically and socially useful is fully embedded in the company's purpose and values. Our businesses have formidable further potential. The Board has worked closely with Nigel Wilson, your CEO and the executive in our strategic development, building continued growth for our business, its shareholders, customers and employees.

## Profit growth continues

Operating profit increased by 32% to £2.1 billion and IFRS profit after tax by 50% to £1.9 billion, with earnings per share of 31.9p (2016: 21.2p).

The Board has again considered carefully the best medium-term trajectory of dividend growth, taking into account both excellent continuing financial performance, and the importance to our shareholders of a rate of dividend growth which is sustainable in a wide range of potential economic scenarios. Accordingly, the Board is recommending a full year dividend of 15.35p for 2017, 7% higher than 2016.

## Development of the Board

In last year's annual report, I reported on a period of considerable change on the Board. I should like to thank Mark Gregory and Richard Meddings who left the Board in 2017 – and Rudy Markham, who stood in as Acting Chairman before my arrival in 2016. In March 2017, Jeff Davies joined as our new CFO; like our two other new Board members who joined in 2017, Kerrigan Procter and Toby Strauss, he brings a wealth of deep experience and knowledge in financial services.

In addition, Henrietta Baldock has been appointed as the Non-Executive Chair of our principal operating subsidiary, Legal & General Assurance Society from 6 March 2018.

## Building a world-class management team

In 2017 I have met management teams and employees across our businesses, around the UK and internationally. We have a world-class, and increasingly diverse team. I am continually hugely impressed by the hard work, professionalism and specialist knowledge of all of our employees who make Legal & General the exceptional group it is today.

## A confident future

Our strategy has benefited from the opportunities offered by long-term growth drivers. The group's financial resilience makes it well placed, whatever the political and economic environment, to continue to take advantage of the many investment opportunities available.

I am looking forward to our AGM in May and hope to see as many of you as possible there.



**Sir John Kingman**  
Chairman



**SIR JOHN KINGMAN**  
Chairman

## Annual General Meeting 2018

12pm on 17 May 2018, at the Honourable Artillery Company, Armoury House, City Road, London EC1Y 2BQ

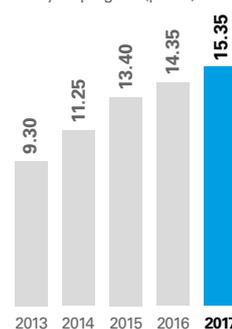
## Dividend policy

We are a long-term business and set our dividend annually, according to agreed principles, which we set out in our reports.

The Board has adopted a progressive dividend policy, reflecting the group's expected medium-term underlying business growth, including 'Net Release from Operations' and 'Operating Profit'.

## Full year dividend

Five year progress (pence)



# 11.05p

Final dividend to be paid on 7 June 2018