

Nigel Wilson: Interims 2016 - Resilience, Delivery, Growth

Another terrific set of results from everyone at Legal and General. Three key points I'd like to make, first of all profit before tax up 23 per cent - £826 million. Net cash up 16 per cent to £727 million. And earnings per share up 14 per cent to 11.2p. And we delivered a 20 per cent plus return on equity; a great first half.

Global Macro Growth Trends

We kind of got lucky in picking the most resilient, demographic and global macro trends which have been unchanged as a consequence of all the uncertainty that's been going on around the world. That's enabled us to deliver great results for our shareholders, for our customers and for all our wider stakeholders.

Global Asset Markets

As you can see from our results, LGIM grew its assets to £840 billion – that's an incredible result - with our international assets growing by almost 30 per cent. This reflects the fact that, even though the asset markets have been difficult, the areas that we've been concentrating on have been doing pretty well. So we're very happy with the performance in the first six months of the year.

Ageing Populations

The first half has been very successful for our ageing population strategy. We've seen us win almost all the key large DPA deals in the UK, we've seen tremendous growth in our workplace savings business, and our DC business now is £50 billion – that's up from £29 billion in 2013.

Digital Lifestyles

We're finally beginning to make real progress in the digital area. The results are such that we've been increasing sales by double digit in most lines of business and, for instance, in retail protection now, growth in the first half was about 14 per cent, and digital now accounts for about 20 per cent of our business.

Welfare Reform

What we've seen in the first half of the year is our DC business resulting in us having over two million customers. We also won Tesco, which is a huge win for us – 200,000 in one single account. And what's important about this is this gives us the ambition to grow on a global stage. We've won our first big DC business in America. With two million customers today, why not 20 million in the future?

Creating Real Assets

In real assets, we've now invested £8 billion in direct investments. That's a terrific amount of money, but we're only half way through our journey. We made great progress in the joint venture with PGGM to build houses to rent. We're making terrific progress in Newcastle, in Leeds, in Manchester, Salford, Canning Town, Walthamstow, Bracknell, Cardiff, Bristol – right across the UK, we're really making a difference investing in real assets, creating real jobs, and creating real returns for our shareholders. And I'd just like to congratulate LGIM on becoming the tenth largest asset manager in the world.