



**NIGEL WILSON**  
Group Chief Executive Officer



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**Nigel Wilson**  
Group CEO, Legal & General

Nigel became Group Chief Executive Officer in June 2012 and has led the company, delivering over five years of successful growth. He believes Legal & General is extremely well placed to take advantage from further growth.

**Q Nigel, the group has had another great year. What do you think are the highlights?**

A Profit before tax increased by 32% to £2.1 billion, with a return on equity of 25.6%. We delivered some excellent performances in our three biggest businesses, with less strong results in our two insurance businesses. Legal & General Retirement had total sales of £6.4 billion, with great successes not only in the UK and US institutional pension risk transfer markets, but also in individual annuities and lifetime mortgages.

2017 saw total net inflows of £40 billion and international net inflows of £33 billion, giving LGIM total assets of £983 billion. Legal & General Capital's investment programme in housing, urban regeneration, clean energy and scale-ups made superb progress.

**Q Why are you so optimistic about the UK's financial prospects?**

A I've always said that the UK is a great place to operate as a business. Potential investment opportunities are simply outstanding. London will always be a leading global centre for financial services, we have skilled workforces and world-leading universities and research institutions. Cities like Manchester, Leeds, Cardiff and Newcastle can also become world class with the right investment. We are exceptionally well placed to invest in urban infrastructure, which will create jobs and provide housing for young and old alike. We're ready and willing to invest more patient capital in start-ups and scale-ups.

**Q So what does this mean for future growth prospects?**

A Our successful growth over the last five years has resulted from having a simple but effective strategy. This strategy is executed well by our three core business areas: investing and annuities, investment management and insurance. I am convinced that our six long-term global growth drivers will continue to stimulate future growth. Our 'ageing demographics' growth driver has made us a market leader in pensions de-risking, auto-enrolled pensions and lifetime mortgages. 'Welfare reform' has inspired us to create success through helping people build personal financial resilience, both in insurance and retirement planning products. The Board is aware of risks to the UK economy as Brexit takes place, but we remain confident that our growth strategy can enable us to be a winner.

**Q You're investing capital in rebuilding Britain's infrastructure. Why is this so important?**

A We have now put £14.4 billion in direct investments, such as urban regeneration, housing, clean energy and SME finance. Building new homes has been a priority for me, because lack of supply has driven up house prices and contributed to generational unfairness and inequality. This gives us an



opportunity to create long-term assets. We are involved in build to sell and build to rent, with major new schemes announced in Birmingham, Leeds, Salford, Crowthorne, Wokingham, Bristol and Bath. Job creation is also vital and in 2017 we also announced new projects to regenerate Britain such as our science parks in Newcastle and Oxford, our first UK offshore wind investment and our investments in UK rail infrastructure.

**Are you still planning to expand your US and international operations?**

Our global growth drivers, especially ageing populations, are having a big effect on US pensions schemes too, where there are still \$3.7 trillion of DB scheme liabilities and where we have written over \$1.6 billion of risk transfer business since 2015. There were record inflows of £33 billion in 2017 into LGIM's international business, where we saw total AUM increase by 28.5% to £228 billion.

We have established LGIM's regional office in Tokyo to complement our capabilities in Hong Kong, and LGIM's recently-announced entry into the European ETF market will provide access to one of the fastest growing segments in asset management.

**Are you seeing progress in transforming your digital operations?**

In 2017 we made huge progress in improving our digital capabilities. We have embedded digital processes in every one of our businesses. LGIM Connect, a digital client portal for institutional clients which is hosted in the cloud, is now used by more than 2,500 of our clients, consultants and administrators.

Our GI business has launched its innovative 'SmartQuote', where only five questions need to be answered online. Our lifetime mortgage business goes from strength to strength, using online-only applications through our fully responsive website.

**Finally, how are you ensuring that you have the right people to make it all happen?**

I'm hugely proud of our commitment to build a diverse workforce, where our '50/50 for 2020' target means that we want 50% of our senior management positions to be filled by women. In 2017 we recruited or promoted five women into the most senior management positions. This included Laura Mason, who is now CEO of our biggest and most successful business, LGR Institutional and our new Group HR Director, Emma Hardaker-Jones. At the same time positive action means that management positions are filled by talented and committed people, regardless of their gender, disability, ethnicity, age or sexual orientation.

**SLATE YARD, SALFORD**

In June 2017, the first residents moved into Salford's build to rent development.