

NIGEL WILSON - Execution, Delivery, Growth

I think the financials are really impressive in the numbers this year. Net cash up 14% to £1.3 billion, operating cash will be 11% to £1.2 billion. We saw EPS up 11% to 18.6 pence and ROE of 17.7%. The dividend increase was 19% to 13.4 pence. Great results everywhere.

NIGEL WILSON - Global long-term growth drivers

Global Asset Markets

Global asset markets are definitely becoming more homogenous, which is great for us. We've moved up from about number 45-50 in the world to number 15 in the world. We look after about USD1.1trillion at the moment but that's only about 0.7% of the global market.

Over the next ten years, you're going to see huge consolidation and the big are going to get even bigger, and we want to get bigger quicker than anybody else, so we'd like to be a Top 5 player by 2025.

Ageing Populations

We're very lucky that we focused very early on the ageing populations right across the world. Today, we have about 500 million over the age of 60, by 2050 that's going to be 2 billion. The rate of growth in the UK is mirroring that trend and we're seeing massive opportunities in lots of different areas. It isn't just in DC provision, it's also in things like lifetime mortgages which we entered for the first time this year. We set ourselves a task originally of £100 million, we delivered £200 million. So this year we set ourselves a goal of £500 million. And global pension de-risking is a huge opportunity for us: it's a \$9trillion global market. Even though we're market leaders, the market is yet to mature and we will see huge growth opportunities for L&G and indeed one or two other global competitors in the next few years.

Digital Lifestyles

The financial services industry is beginning to catch up in the digital space. We've lagged well behind media, retail and a number of other industries, but we're beginning to see some light at the end of the tunnel for firms like Legal & General. We've made a lot of progress in certain areas. LGIM is really a digital business now. We're selling in new markets where we have very little infrastructure that's required for us to win. In the Insurance space, we've made a lot of progress with things like My Life and in Savings with My Account. So our customers become much more digitally engaged with us and we're seeing real traction for the first time.

Welfare Reform

Governments throughout the world have realised they've got to work closer with the private sector, and that we have to have welfare reform. We've seen that in the UK where the Prime Minister and Ian Duncan Smith have been champions for welfare reform. So far, all we've seen is pensions auto-enrolment where the results have been spectacular. 92% of people are opting in. We've seen our DC pension business grow dramatically in 2015. It's now a £46 billion business, just in the UK, and we almost have 2 million customers.

Creating Real Assets

We've moved to a world of zero interest rates in a lot of places, even negative in some places. What we should be doing, is investing in real assets that deliver real returns. We've led the charge very much in the UK, investing about £7 billion so far, but we intend to invest more in housing, in urban regeneration, alternative forms of energy, and in alternative finance. Because there are massive changes required in industry, in terms of provision of long term debt capital and equity capital, and Legal & General want to be at the forefront of that.

NIGEL WILSON – Infrastructure

Nigel:

We've begun to recognise here in the UK that we've got to change, we've got to start investing in real assets. That will create real jobs and we have to see some productivity improvement and some real economic growth. We've decided to lead the charge in that area - in urban regeneration, housing, alternative finance and energy. But there's so much for us to do, and it's about investing long-term capital right through the various cycles that we're going to have in the next 20, 30 or even 50 years.

There's some great examples of things we've been doing - transforming Salford with the help of the Mayor, Ian Stewart; regenerating Bracknell town centre; building new houses in Canning Town; regenerating Plymouth. These are all great examples of where we're making a real difference - not only to the economics of Legal & General, but for the people who live in these communities.