

Kerrigan Procter, CEO of LGC

Full Year Results 2017 review transcript

LGC fits in to the wider group because we look after £6bn of shareholder funds money. This isn't money that is attributable to our insurance policy holders or third party clients. The great thing about it, this is really patient capital, really long term capital so we can invest wisely and for the long term. We can use that money to be a catalyst for the rest of the group.

I'm Kerrigan Procter, the CEO of Legal and General Capital. I've been in the role just over two months now and it has been a tremendous, exciting change to my role from running LGR. I ran LGR for 5 years, had a fantastic time there and am very, very pleased to see that taken over and run so well by Chris Knight and Laura Mason of course. At Legal and General Capital it's a hugely exciting role, I've got nearly £6bn of shareholder money to invest wisely, and we've got to get a good return on that. I've got a remit of investing in interesting areas such as urban re-generation, clean energy, housing, scale-ups. What a fantastic job, to be told to go and invest in interesting things.

I think LGC have played a strong part in this year's results. Not just the raw figures of £350m profit before tax, but also that LGC with its shareholder money can really be a catalyst for other parts of the group.

We put in money to help develop properties that could become part of LGR's assets or assets that could be co-invested with LGIM's third party clients. There's both returns and relevance there which makes us a really helpful part of the L&G group overall.

There's a huge amount we can do with LGC right across the range of housing, urban regeneration, clean energy and scale-ups. Lots and lots to do, but one thing I really wanted to bring out is the opportunity for later life living, retirement living.

Investing In Later Living

We acquired a couple of businesses last year and we're just putting those to work in that whole sector. There's about 3 million people who want to downsize at retirement and move into later-life-living, but there's only about 7,000 units of accommodation built each year, it's a vast, vast gap and we really want to build the kind of later living that people want to choose to and want to be excited to move into.

That's what we're really trying to do and I think that will be a big part of what we're doing and we can link that up very well with Chris Knight's business too.

Taking Clean Energy Forward

The other area that's incredibly interesting is the whole world of energy and clean energy. We all know and we all feel that the way in which the world produces and consumes energy is going to radically change over the next 20 years, and the question is how can L&G play a part in that, that's relevant for its customers. So far we've got some tremendous investments in on-shore wind in the UK and solar. We want to take that forward, really as the world shifts, towards solar and storage of electricity - that really is the future and the role we play in that, so expect to see a lot more ideas and investment as we go into next year.

Investing in Technology

We're also excited about getting involved with the rest of the group on investments in Fintech or PropTech or Healthtech – we've got over £100m invested in about 100 companies in that space, via seven VC fund Managers and what we're really excited about is curating that portfolio of investments and making them relevant for the rest of the group. And indeed we're working with several other divisions to take that forward.

Expect to see some developments on that in the very near future.

