

15 June 2020

LEGAL & GENERAL AND BROMFORD ENTER £100 M PARTNERSHIP TO DELIVER AFFORDABLE HOMES ACROSS CENTRAL AND SOUTH WEST ENGLAND

LGIM Real Assets (Legal & General) has provided £100 million in deferred long-term financing to Bromford Housing Group (Bromford), the largest provider of affordable homes across Central and South West England. The funding will be drawn in 12 months' time and will support Bromford's strategic development goal to deliver 12,000 new affordable homes by 2028. The delivery of these homes will serve the communities in which Bromford operates as well as playing an important role in getting the UK economy back on track.

The UK continues to suffer a shortage of affordable housing, with 1.3 million households on local authority waiting lists. As one of the UK's leading housing associations, and a strategic partner of Homes England, Bromford has a key role to play in providing social and affordable housing to those whose needs are not met by the private markets in Central and South West England. Bromford recently announced their successful delivery of over 1,000 new homes in the year ended 31 March 2020 and have re-opened their development sites following the recent lockdown.

The investment has been made by LGIM Real Assets on behalf of its clients including Legal & General Retirement Institutional. Legal & General first invested in Bromford in 2012 and today's additional commitment marks an important milestone, supporting Bromford to deliver 12,000 new affordable homes by 2028.

NatWest Markets acted as sole agent in Bromford's private placement issuance, with Newbridge providing treasury advice. Legal advice was provided by Trowers & Hamblins and Addleshaw Goddard.

Steve Bolton, Head of Private Corporate Debt, Europe, said: "Legal & General is uniquely placed to invest annuity money into the UK economy, supporting its long-term pension commitments and creating real assets which provide new jobs, housing, productivity and wage growth. We have a role to play in supporting the UK through the Covid-19 crisis and this latest investment is testament to that support.

"Our investment in Bromford matches our extended liabilities and delivers both real economic growth and social value for the UK. We've seen lots of change in the past few months but the fundamental need for good quality homes remains a constant. There is an urgent need to provide stable homes for millions of households on waiting lists, and partnerships like this will help deliver on that need."

Imran Mubeen, Head of Treasury, Bromford, said: “We have taken a proactive approach right across the business to managing the challenges and opportunities arising from Covid-19. We have now resumed development and look forward to delivering more homes and services at a time our communities and families rely upon us more than ever.

“We already benefitted from exceptionally high levels of liquidity and whilst there was no immediate requirement for new funding at this stage, this deferred deal reflects our pro-active approach to the market: locking in long dated funding at historically low rates to future-proof our new homes plan whilst matching future interest costs with our required liquidity profile.

It is important that we work with funders and investors who understand our long term strategic plan, and we are delighted to extend our partnership with LGIM who continue to support our journey and appreciate the way we work. This deal with LGIM provides near term funding certainty as we continue in our aspiration to deliver a further 12,000 homes by 2028.”

George Flynn, Vice President at NatWest Markets, said: “We are delighted to once again partner with Bromford on this successful £100m long dated, delay draw transaction. Through working closely with L&G and Bromford we were able to structure a flexible and competitively priced transaction to support Bromford’s long term strategic plan and growth agenda in order to deliver much needed affordable housing. This also demonstrates the continued support of long term investors for the social housing sector.”

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Notes to editors

LGIM Real Assets

LGIM Real Assets is a division of Legal & General Investment Management (LGIM), one of Europe’s largest institutional asset managers and a major global investor. LGIM manages £1.2tn in assets (as at 31 December 2019), working with a range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors. LGIM Real Assets has AUM of £30.8bn (as 31 December 2019) and is one of the largest private markets investment managers in the UK.

Investing in both debt and equity and across the risk/return spectrum, LGIM Real Assets actively invests in and manages assets across commercial, operational and residential property sectors, as well as infrastructure, real estate, corporate and alternative debt. Taking a long term view in order to future proof its investments, the business continues to lead the industry in ESG performance, considering all environmental, social and governance issues at asset level as well as portfolio level.

Legal & General Group

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with international businesses in the US, Europe, Middle East and Asia. With almost £1.2 trillion in total assets under management at 31 December 2019, we are the UK's largest investment manager for corporate pension schemes and a UK market leader in pensions de-risking, life insurance, workplace pensions and retirement income. We have also invested over £25 billion in direct investments such as homes, urban regeneration, clean energy and small business finance.

Bromford Housing Group

Bromford is one of the country's largest housing associations, providing homes to more than 100,000 people across the West Midlands and West of England. Bromford recently published its preliminary (unaudited) trading update for the year ended 31 March 2020, with turnover for the period at £270m and an overall operating margin of 37%. The housing association uses its financial strength to invest in homes and relationships so people can thrive. Over the past two years, Bromford has raised over £1bn in new funding and refinanced debt to support its new homes development aspirations. The housing association delivered over 1,000 new homes in FY 2020/21 and intends to deliver a further 12,000 new homes by 2028. It also secured £66m in funding for new homes when it became one of Homes England's strategic partners in 2019 and recently had re-affirmation of its sector leading credit ratings (A+/A2) and regulatory ratings (G1/VA).

NatWest Markets

NatWest Markets helps global financial institutions and corporates manage their financial risks and achieve their short-and long-term financial goals while navigating changing markets and regulation. We do this by providing global market access, financing, risk management and trading solutions. We operate from trading hubs in London, Amsterdam, Singapore and Stamford with sales offices across key locations in the UK, EU, US and Asia.