



Legal & General completes £4.4 billion buy-in with British Airways' pension scheme: Largest ever UK bulk annuity

Legal & General Group Plc ("Legal & General") today announces that it has completed a £4.4 billion buy-in for British Airways PLC's pension scheme, Airways Pension Scheme ("APS"), covering nearly 22,000 pensioners. This is the largest ever bulk annuity policy arranged with a UK pension scheme and also included the conversion of existing longevity insurance into a bulk annuity.

As announced at the half year results, the UK pension risk transfer ("PRT") market continues to demonstrate a high level of activity with Legal & General actively quoting on more than £20 billion, of which more than £7 billion were in exclusive negotiations at the time. Since then, Legal & General has completed £4.8 billion of UK PRT transactions, including the APS buy-in, and is now actively quoting on £27 billion of UK PRT deals. Additionally Legal & General has continued to show strong momentum in International PRT, completing £191 million of transactions since the end of June.

In aggregate, Legal & General has completed £6.0 billion of global pension de-risking transactions year to date (UK PRT: £5.3 billion, International PRT: £0.4 billion, Longevity Insurance: £0.3 billion). The financial metrics and Solvency II capital strain of these transactions are in line with previous levels reported by Legal & General.

Nigel Wilson, Chief Executive, Legal & General Group, said:

"I'm delighted that Legal & General has transacted the largest bulk annuity to date in the UK for British Airways' pension scheme. As we indicated at the half year results, the second half of 2018 is likely to be a record six months for our PRT business and we expect to announce further transactions in the next few months. We are actively quoting on £27 billion of UK PRT deals demonstrating the strong demand for insurance, supported by increasing affordability, as trustees seek to improve security for members and companies look to remove legacy liabilities. Legal & General's combination of longevity and investment management expertise uniquely positions us to deliver at scale, providing solutions that benefit schemes and their members."

Laura Mason, CEO Legal & General Retirement Institutional, said:

"We are proud to have delivered this ground-breaking transaction, the largest bulk annuity transaction completed in the UK market. This is a great example of Legal & General delivering for UK companies and their pension members, enabling pension schemes to provide security to their pensioners in retirement.

This transaction also included the conversion of existing longevity insurance to a bulk annuity, demonstrating Legal & General's ability to deal with a complex situation and offer innovative solutions drawing on the broad experience and capabilities of the wider Legal & General Group.

The depth and scale of our Retirement business means that we can confidently deliver for APS scheme members, whilst maintaining capacity for further de-risking activity in the near term."

ENDS

Notes to Editors

Legal & General Group Plc

The Legal & General Group, established in 1836, is one of the UK's leading financial services companies. As at 31 December 2017, we had over 9.5 million customers in the UK for our life assurance, pensions, investments and general insurance plans and over 1 million life insurance customers in the US.

Over fifteen million people worldwide rely on us to help them save for the future and to protect their families and their homes.

Financial details

1. UK PRT sales at H1 2018 were £0.5 billion. On completion of the bulk annuity with Airways Pension Scheme, UK PRT sales year to date are £5.3 billion and £0.3 billion in longevity insurance.
2. International PRT sales at H1 2018 were £228 million, year to date sales are £419 million.
3. Legal & General has a market capitalisation of £15.0 billion (as at 12 September 2018) and is responsible for investing £985 billion worldwide (as at 30 June 2018) on behalf of investors, policyholders and shareholders.

Forward-looking statements

This announcement may contain certain forward-looking statements relating to Legal & General, its plans and its current goals and expectations relating to future financial condition, performance and results. By their nature, forward-looking statements involve uncertainty because they relate to future events and circumstances which are beyond Legal & General's control, including, among others, UK domestic and global economic and business conditions, market-related risks such as fluctuations in interest rates and exchange rates, the policies and actions of regulatory and Governmental authorities, the impact of competition, the timing impact of these events and other uncertainties of future acquisitions or combinations within relevant industries. As a result, Legal & General's actual future condition, performance and results may differ materially from the plans, goals and expectations set out in these forward-looking statements and persons reading this announcement should not place reliance on forward-looking statements. These forward-looking statements are made only as at the date on which such statements are made and Legal & General Group Plc does not undertake to update forward-looking statements contained in this announcement or any other forward-looking statement it may make.

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