



Legal & General agrees c£370m buy-in with Heathrow's BAA Pension Scheme

Legal & General Assurance Society Limited ("Legal & General") today announces that it has agreed a c£370 million buy-in with London Heathrow's BAA Pension Scheme ("the Scheme"), securing the benefits of more than 1,400 retirees.

The Sponsoring company, Heathrow Airport Limited, runs London Heathrow Airport, one of the world's busiest airports and a vital global transport hub.

Today's buy-in represents the Scheme's second Pension Risk Transfer ("PRT") transaction with Legal & General, following a £325 million buy-in in 2018 covering 1,300 retirees. Legal & General has now secured the benefits of nearly 3,000 members of the Scheme, demonstrating its commitment to a long-term relationship with the Trustee.

An umbrella contract has been established as part of the transaction, enabling the Trustee to potentially insure further liabilities quickly and easily as it continues its de-risking plans.

The Scheme is an existing client of Legal & General, having established a partnership with Legal & General's Investment Management business ("LGIM") to manage the Scheme's assets in 2020.

The Trustee was advised on the transaction by LCP and legal advice was provided to the Trustee by CMS. MacFarlanes provided legal advice to Legal & General.

Adrian Somerfield, Director, Legal & General Retirement Institutional

"Having built trust and a strong relationship with the Trustee over a number of years, we are delighted to have secured the retirement benefits for another 1,400 members.

Our umbrella contract ensures we are able to move forward with the Trustee in a swift and effective manner as they continue their de-risking plans."

Phil Wilbraham, Chair of Trustee

"London Heathrow's BAA Pension Scheme today announces that it has agreed a c£370 million buy-in with Legal & General Assurance Society Limited. The Trustee is delighted that this deal continues to de-risk the overall pension scheme and the deal is testament to great teamwork between L&G and the Trustees excellent advisory team."

Ken Hardman, Partner, LCP

"We are delighted to have advised the trustees on the purchase of the Scheme's second buy-in transaction. The favourable outcome was achieved through collaborative working between advisers, trustees, corporate sponsor and L&G, allowing us to optimise the drivers of pricing and execute efficiently."

Notes to editors

About Legal & General

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 £1.3 trillion in total assets under management*, we are the UK's largest investment manager for corporate pension schemes and a UK market leader in pension risk transfer, alternative asset origination, life insurance, workplace pensions and retirement income..

** at 30 June 2021*

Improving lives through inclusive capitalism

Our purpose is to build a better society, while improving the lives of our customers and creating value for shareholders. To do this we're investing in long-term assets that benefit everyone from housing to renewable energy – we call it inclusive capitalism. This shapes the way we invest, plan, hire and do business.

About Legal & General Retirement Institutional

Legal & General Retirement Institutional (LGRI) works with trustees and sponsoring companies of defined benefit (DB) pension schemes of all sizes to settle their pension obligations and secure scheme members' benefits, through a full range of buy-ins, buyouts and other de-risking solutions.

Our UK Retirement annuity book stands at over £85 billion as at 30 June 2021, of which over £25 billion is invested in direct investments that deliver positive social and environmental impacts, such as clean energy and affordable housing.

Our Client Services' 12-month rolling Net Promoter Score (NPS) is above +70, which is widely regarded as being at a "world class" level.

(As of June 2021)

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