



Legal & General announces £385 million buy-in transaction with the Northern Gas Networks Pension Scheme

Legal & General Assurance Society Limited (“Legal & General”) today announces that it has agreed a £385 million buy-in transaction with the Northern Gas Networks Pension Scheme (“the Scheme”), securing the pension benefits of more than 600 retirees.

Northern Gas Networks (NGN) is the gas distributor for the North of England, transporting gas to 2.7 million homes and businesses across the North East, most of Yorkshire and northern Cumbria.

The Scheme is an existing client of Legal & General, with Legal & General Investment Management (LGIM) having managed a proportion of the Scheme’s assets since the Scheme was established in 2005. This transaction is the Scheme’s first buy-in policy and covers around two thirds of its members.

By being prepared, and able to move quickly, the Trustee and NGN were able to take advantage of favourable market conditions to establish the buy-in. Legal & General’s price lock, while the legal agreement was progressed, gave the Trustee a high degree of price and execution certainty prior to completion of the transaction.

Aon acted as broker for the transaction.

Rachel Cutts, Origination & Execution Director, Legal & General Retirement Institutional

“We are delighted to have completed this transaction, which provides further financial security to the members of the Northern Gas Networks Pension Scheme. This transaction demonstrates that by having a clear objective and flexible timescales, trustees can move quickly and secure their members’ benefits when favourable pricing is available. It builds on the Legal & General Group’s existing relationship with the Scheme and we look forward to continuing to work with the Scheme in the coming years.”

Catherine Edmondson, Trustee Chair

“I am delighted that we have been able to take this important step to reduce risk in the Scheme and increase member security. Thank you to the Trustee, NGN and our advisers for all of their hard work which allowed us to move quickly when the opportunity arose to secure an attractive transaction.”

David Waite, Finance Director for NGN

“This transaction demonstrates the initiatives and efforts which continue to be undertaken by NGN to manage our commitment to the scheme, balancing the interests of our customers, shareholders and scheme members.”

John Baines, Partner, Aon

“The ability of the Trustee and NGN to work collaboratively and move quickly when a pricing opportunity arose was one of the factors which enabled the successful completion of this transaction. It is particularly pleasing to have been part of a team that worked together to secure a deal which benefited all stakeholders, including scheme members and customers of Northern Gas Networks.”

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 over £1.1 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, life insurance, workplace pensions and retirement income.

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 de-risking solutions. We work closely across divisions in the Legal & General Group, which has to date invested £26 billion in real assets including urban regeneration, clean and low-cost energy, housing and transport links.

Further information

Name: Margrit Williams
Role: PR & Communications Director
Division: Legal & General Retirement Institutional
Tel: 07384452353
Email: Margrit.Williams@landg.com

Name: Sinead Meckin
Role: Senior Account Director
Company: Hanover Communications
Email: LGRI@Hanovercomms.com