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Legal & General Partners with Blackstone in Private Credit Venture

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In a strategic move to bolster its presence in the thriving private credit market, British insurer Legal & General (L&G) has forged a partnership with global investment giant Blackstone. Announced on 10 July 2025, this collaboration signals L&G's ambition to capitalise on the growing appetite among investors for lending directly to companies, a sector increasingly viewed as a lucrative alternative to traditional markets.

L&G, managing a colossal £1.1 trillion in assets and standing as Britain's largest investment firm, aims to sharpen its competitive edge in two key areas: the United States and private credit. The partnership will see L&G's annuities business tap into Blackstone's expertise, gaining access to investment-grade credit assets, particularly in the U.S. market. Up to 10% of the annuities unit's new business flows will be allocated to private credit, with the partnership potentially reaching \$20 billion over the next five years. This move is designed to diversify and strengthen L&G's portfolio.

In a statement, L&G's chief executive, Antonio Simoes, underscored the deal's significance: "This partnership with Blackstone enhances our ability to meet the rising demand for innovative public-private investment products. It provides L&G with a broader range of assets for our annuity book and supports growth in our asset management division by delivering sophisticated investment solutions to clients globally."

The tie-up, first reported by Bloomberg News, aligns with a broader trend in the financial sector, where firms are racing to expand their footprint in private credit a market offering attractive returns amid economic uncertainty. For L&G, this move is a calculated step to fortify its offerings at a time when the UK's economic policies, under the current Labour government, have drawn scrutiny for their impact on investment confidence.

This partnership also reflects L&G's broader strategy to adapt to shifting market dynamics. By leveraging Blackstone's global reach and expertise, L&G is positioning itself to cater to clients seeking more tailored and resilient investment options. The focus on U.S. assets, in particular,

highlights the firm's intent to diversify geographically, reducing reliance on domestic markets amid ongoing economic challenges.

Notably, Blackstone already manages approximately \$237 billion in insurance-related assets on behalf of third parties, adding further credibility and scale to the partnership.

As private credit continues to gain traction, this alliance could set a precedent for other UK firms looking to compete on a global stage. For now, L&G's bold move underscores its determination to stay ahead in a fiercely competitive landscape, delivering value to clients while navigating an increasingly complex financial environment.