

15 FEBRUARY 2018

Press Release

LEGAL & GENERAL ANNOUNCES CONTINUED GROWTH FOR WITH PROFITS CUSTOMERS

Legal & General today announced another year of good growth on the assets held for its with profits customers with a return of 8.1% (before tax) for the 12 months to 31 December 2017.

The company added bonuses worth £319 million to its with profits policies last year.

LONG-TERM RETURNS CONTINUE TO EXCEED INFLATION...

Over 25 years the assets held on behalf of Legal & General's with profits customers have returned 8.3% per annum before tax and over 10 years the annual return is 6.3% before tax. This has exceeded the average inflation rate of 2.8% over the same periods based on the UK Retail Prices Index. It has also exceeded the return on an average balanced managed fund based on a single premium investment, as shown in the table below.

	Return per annum over 10 years	Return per annum over 25 years
Legal & General With Profits Fund	6.3% (before tax)	8.3% (before tax)
Average balanced managed fund*	5.6% (before tax)	7.0% (before tax)

* Source: Lipper, ABI UK Mixed Investment 40-85% Shares sector average



Commenting on our 2017 with profits performance, Jackie Noakes, Managing Director Savings, Legal & General Assurance Society said;

“Our with profits customers will benefit from another year of good investment returns for 2017 of 8.1%. This demonstrates the benefits for our existing customers of investing in a fund with a broad range of assets. It also means that our with profits customers have continued to see steady growth on their investments over the long-term, in excess of inflation.”



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The fund continues to maintain a broad mix of assets, similar to the asset allocation of previous years.

Asset Allocation:

Asset allocation for With Profits Growth Bonds, With Profits Endowments and With Profits Pensions			
As at 31/12/2017	With Profits Growth Bonds and Endowments*	Unitised With Profits Pensions (up to 31/12/1994)	All other With Profits Pensions**
UK shares	19%	14%	16%
Overseas shares	27%	21%	23%
Fixed interest securities	42%	56%	51%
Commercial property	12%	9%	10%

* Excludes Capital Protection Plus Growth Bonds and some Capital Protection Growth Bonds

** Excludes With Profits Annuities and AF4

FURTHER INFORMATION (JOURNALISTS ONLY)

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FOR EXAMPLES OF INVESTMENT VALUES PLEASE SEE BELOW

Bond investors:

Example of 10 year return for £10,000 invested in a Legal & General With Profits Growth Bond

Date of investment	Cash-in value as at 1/3/2017	Cash-in value as at 1/3/2018	Return over year	Return per annum
1 March 2008	£13,617	£14,508	6.5%	3.8%

Endowments:

Example of 25 year With Profits Endowment maturing on 1 March 2018 (male age 29 at entry)

Payment	Cash-in value as at 1/3/2017	Total payments since 1/3/2017	Maturity value as at 1/3/2018	Return over year	Return per annum
£50 per month level premium	£23,437	£600	£25,515	6.2%	4.0%

Pension savers:

Example of With Profits Pension for a male retiring at age 65, paying monthly contributions of £200

Plan term	Pension pot value as at 1/3/2017**	Total payments since 1/3/2017	Retirement value as at 1/3/2018	Return over year	Return per annum
10 year	£28,527	£2,400	£33,140	7.5%	6.3%
15 year	£51,305	£2,400	£57,816	7.8%	6.0%
20 year*	£73,537	£2,400	£81,704	7.7%	5.0%

* Assumes standard commission

** Value does not take into account any exit charges or any market value reduction that may apply

NOTES TO EDITORS

The information contained in this press release is intended solely for journalists and should not be relied upon by private investors or any other persons to make financial decisions.

The return generated in 2017 is on total assets backing with profits policies and is stated pre-tax and charges. Returns generated for the assets underlying individual products may differ from this value.

- Past performance is not a guide to future performance.
- The value of investments may fall as well as rise and investors may get back less than the amount originally invested.

Legal & General Assurance Society Limited

Registered in England and Wales No. 00166055

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Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

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