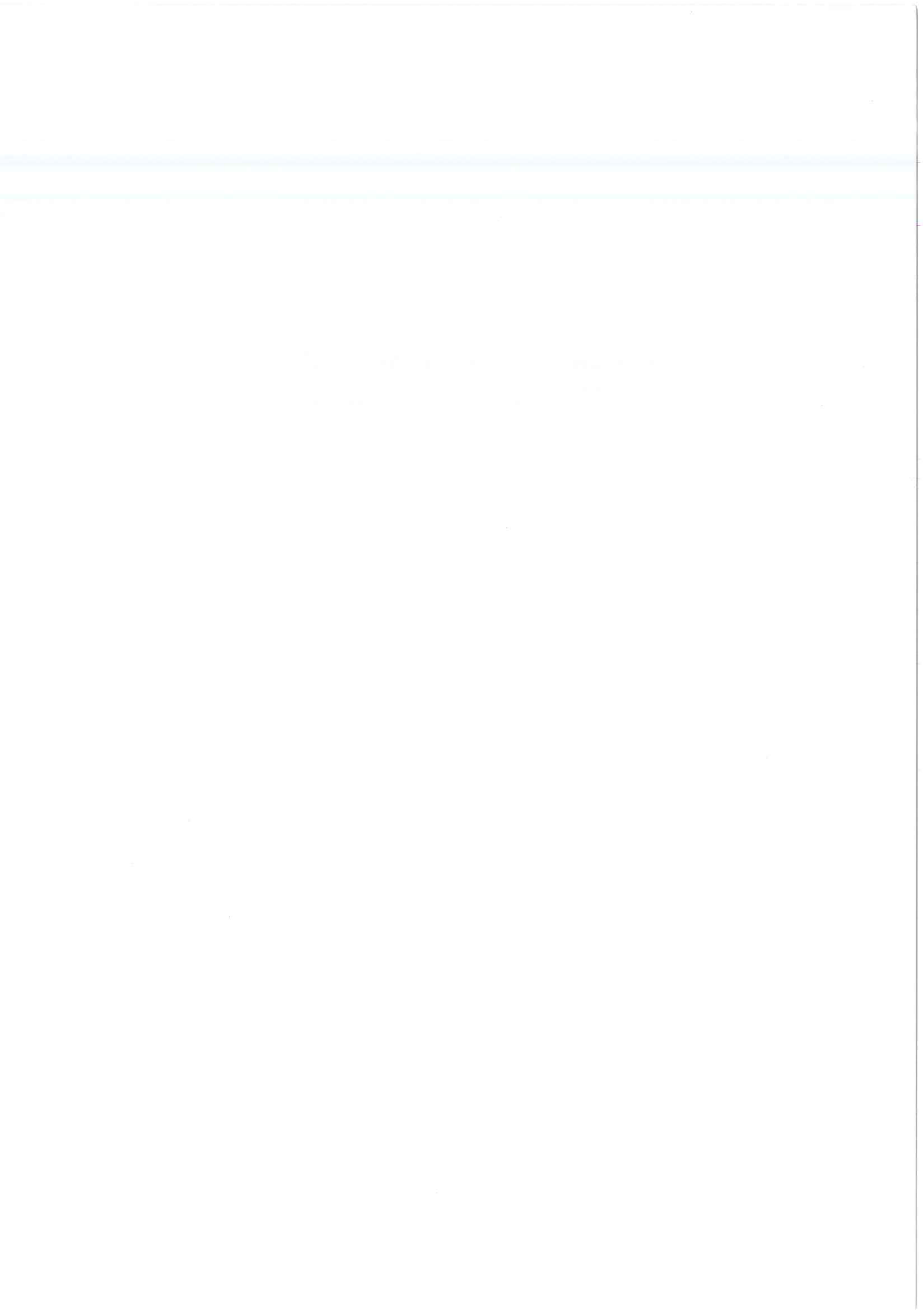


Legal & General Assurance (Pensions Management) Limited

Annual PRA Insurance Returns for the year ended

31 December 2014

IPRU(INS) Appendices 9.1, 9.3, 9.4, 9.6



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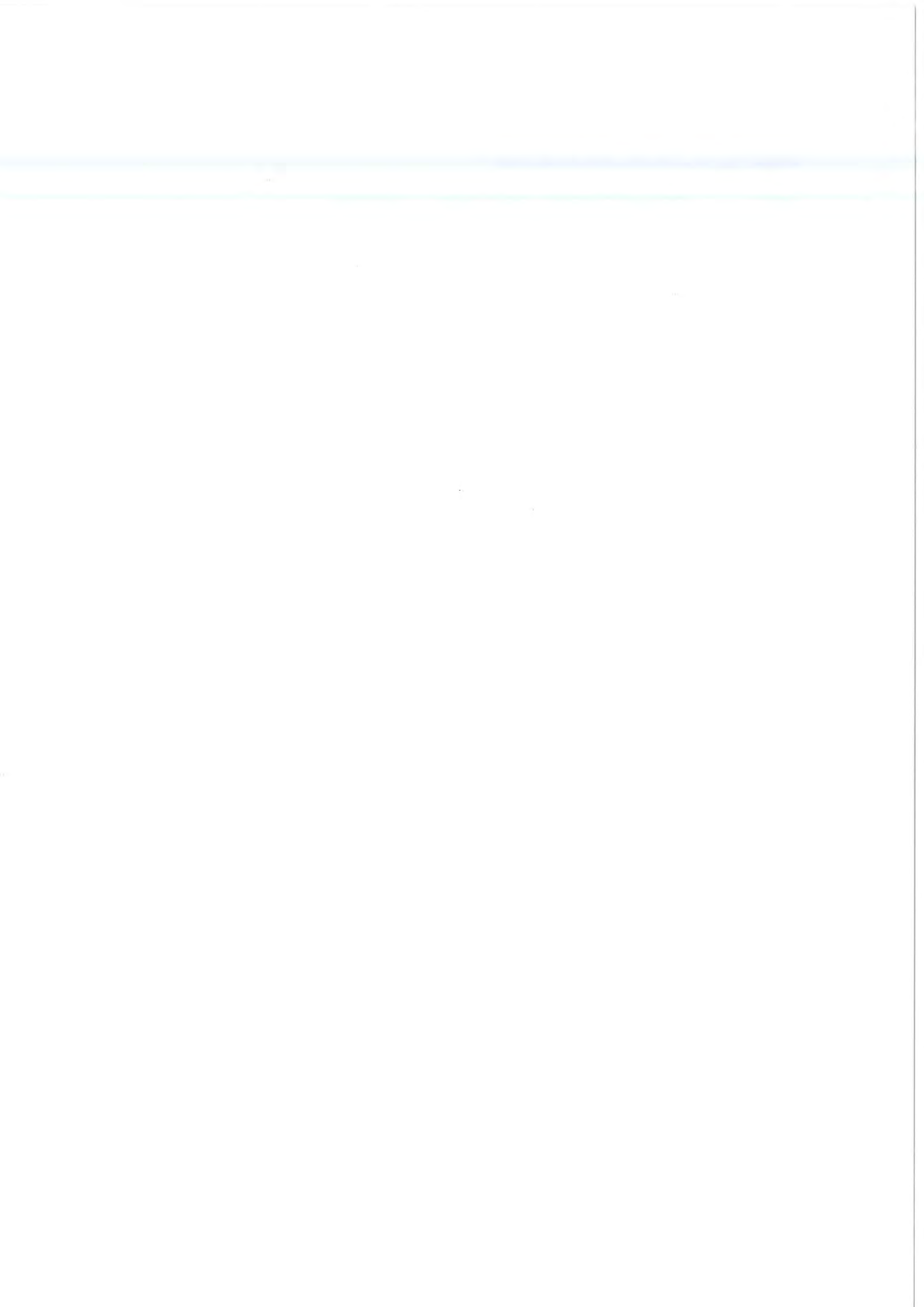
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Statement of solvency - long-term insurance business

Name of insurer **Legal & General Assurance (Pensions Management) Limited**

Global business

Financial year ended **31 December 2014**

Solo solvency calculation

	Company registration number	GL/ UK/ CM	day	month	year	Units	
	R2	1006112	GL	31	12	2014	£000
				As at end of this financial year		As at end of the previous year	
				1		2	

Capital resources

Capital resources arising within the long-term insurance fund	11	30000	30000
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	12	230205	235947
Capital resources available to cover long-term insurance business capital resources requirement (11+12)	13	260205	265947

Guarantee fund

Guarantee fund requirement	21	9718	9397
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22	250487	256550

Minimum capital requirement (MCR)

Long-term insurance capital requirement	31	29154	28191
Resilience capital requirement	32		
Base capital resources requirement	33	2902	3146
Individual minimum capital requirement	34	29154	28191
Capital requirements of regulated related undertakings	35		
Minimum capital requirement (34+35)	36	29154	28191
Excess (deficiency) of available capital resources to cover 50% of MCR	37	245628	251851
Excess (deficiency) of available capital resources to cover 75% of MCR	38	238339	244804

Enhanced capital requirement

With-profits insurance capital component	39		
Enhanced capital requirement	40	29154	28191

Capital resources requirement (CRR)

Capital resources requirement (greater of 36 and 40)	41	29154	28191
Excess (deficiency) of available capital resources to cover long-term insurance business CRR (13-41)	42	231051	237756

Contingent liabilities

Quantifiable contingent liabilities in respect of long-term insurance business as shown in a supplementary note to Form 14	51		
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Components of capital resources

Name of insurer **Legal & General Assurance (Pensions Management) Limited**

Global business

Financial year ended **31 December 2014**

	Company registration number	GL/UK/CM	day month year			Units
R3	1006112	GL	31	12	2014	£000
		General insurance business 1	Long-term insurance business 2	Total as at the end of this financial year 3	Total as at the end of the previous year 4	

Core tier one capital

Permanent share capital	11		100	100	100
Profit and loss account and other reserves	12		278116	278116	275541
Share premium account	13				
Positive valuation differences	14				
Fund for future appropriations	15				
Core tier one capital in related undertakings	16				
Core tier one capital (sum of 11 to 16)	19		278216	278216	275641

Tier one waivers

Unpaid share capital / unpaid initial funds and calls for supplementary contributions	21				
Implicit Items	22				
Tier one waivers in related undertakings	23				
Total tier one waivers as restricted (21+22+23)	24				

Other tier one capital

Perpetual non-cumulative preference shares as restricted	25				
Perpetual non-cumulative preference shares in related undertakings	26				
Innovative tier one capital as restricted	27				
Innovative tier one capital in related undertakings	28				

Total tier one capital before deductions (19+24+25+26+27+28)	31		278216	278216	275641
Investments in own shares	32				
Intangible assets	33				
Amounts deducted from technical provisions for discounting	34				
Other negative valuation differences	35		18011	18011	9694
Deductions in related undertakings	36				
Deductions from tier one (32 to 36)	37		18011	18011	9694
Total tier one capital after deductions (31-37)	39		260205	260205	265947

Components of capital resources

Name of insurer **Legal & General Assurance (Pensions Management) Limited**

Global business

Financial year ended **31 December 2014**

	Company registration number	GL/UK/CM	day month year			Units	
	R3	1006112	GL	31	12	2014	£000
			General insurance business 1	Long-term insurance business 2	Total as at the end of this financial year 3	Total as at the end of the previous year 4	

Tier two capital

Implicit items, (tier two waivers and amounts excluded from line 22)	41					
Perpetual non-cumulative preference shares excluded from line 25	42					
Innovative tier one capital excluded from line 27	43					
Tier two waivers, innovative tier one capital and perpetual non-cumulative preference shares treated as tier two capital (41 to 43)	44					
Perpetual cumulative preference shares	45					
Perpetual subordinated debt and securities	46					
Upper tier two capital in related undertakings	47					
Upper tier two capital (44 to 47)	49					

Fixed term preference shares	51					
Other tier two instruments	52					
Lower tier two capital in related undertakings	53					
Lower tier two capital (51+52+53)	59					

Total tier two capital before restrictions (49+59)	61					
Excess tier two capital	62					
Further excess lower tier two capital	63					
Total tier two capital after restrictions, before deductions (61-62-63)	69					

Components of capital resources

Name of insurer **Legal & General Assurance (Pensions Management) Limited**

Global business

Financial year ended **31 December 2014**

Company registration number	GL/UK/CM	day month year			Units	
R3	1006112	GL	31	12	2014	£000
		General insurance business 1	Long-term insurance business 2	Total as at the end of this financial year 3	Total as at the end of the previous year 4	

Total capital resources

Positive adjustments for regulated non-insurance related undertakings	71				
Total capital resources before deductions (39+69+71)	72		260205	260205	265947
Inadmissible assets other than intangibles and own shares	73				
Assets in excess of market risk and counterparty limits	74				
Deductions for related ancillary services undertakings	75				
Deductions for regulated non-insurance related undertakings	76				
Deductions of ineligible surplus capital	77				
Total capital resources after deductions (72-73-74-75-76-77)	79		260205	260205	265947

Available capital resources for GENPRU/INSRU tests

Available capital resources for guarantee fund requirement	81		260205	260205	265947
Available capital resources for 50% MCR requirement	82		260205	260205	265947
Available capital resources for 75% MCR requirement	83		260205	260205	265947

Financial engineering adjustments

Implicit items	91				
Financial reinsurance - ceded	92				
Financial reinsurance - accepted	93				
Outstanding contingent loans	94				
Any other charges on future profits	95				
Sum of financial engineering adjustments (91+92-93+94+95)	96				

Analysis of admissible assetsName of insurer **Legal & General Assurance (Pensions Management) Limited**

Global business

Financial year ended **31 December 2014**Category of assets **Total other than long term insurance business assets**

	Company registration number	GL/UK/CM	day	month	year	Units	Category of assets
R13	1006112	GL	31	12	2014	£000	1
						As at end of this financial year	As at end of the previous year
						1	2
Land and buildings			11				

Investments in group undertakings and participating interests

UK insurance dependants	Shares	21		
	Debts and loans	22		
Other insurance dependants	Shares	23		
	Debts and loans	24		
Non-insurance dependants	Shares	25		
	Debts and loans	26		
Other group undertakings	Shares	27		
	Debts and loans	28		
Participating interests	Shares	29		
	Debts and loans	30		

Other financial investments

Equity shares	41		
Other shares and other variable yield participations	42		
Holdings in collective investment schemes	43	306	
Rights under derivative contracts	44		
Fixed interest securities	Approved	45	228084
	Other	46	227559
Variable interest securities	Approved	47	
	Other	48	
Participation in investment pools	49		
Loans secured by mortgages	50		
Loans to public or local authorities and nationalised industries or undertakings	51		
Loans secured by policies of insurance issued by the company	52		
Other loans	53		
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	76344
	More than one month withdrawal	55	74071
Other financial investments	56		
Deposits with ceding undertakings	57		
Assets held to match linked liabilities	Index linked	58	
	Property linked	59	

Analysis of admissible assets

Name of insurer **Legal & General Assurance (Pensions Management) Limited**

Global business

Financial year ended **31 December 2014**

Category of assets **Total other than long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	1006112	GL	31	12	2014	£000	1
						As at end of this financial year	As at end of the previous year
						1	2

Reinsurers' share of technical provisions

Provision for unearned premiums	60		
Claims outstanding	61		
Provision for unexpired risks	62		
Other	63		

Debtors and salvage

Direct insurance business	Policyholders	71		
	Intermediaries	72		
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		
	Ceded	75		
Dependants	due in 12 months or less	76		
	due in more than 12 months	77		
Other	due in 12 months or less	78		
	due in more than 12 months	79		

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81		
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84		
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86		

Deductions from the aggregate value of assets	87		
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	89	304734	301630
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Analysis of admissible assets

Name of insurer **Legal & General Assurance (Pensions Management) Limited**

Global business

Financial year ended **31 December 2014**

Category of assets **Total other than long term insurance business assets**

	Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
	R13	1006112	GL	31	12	2014	£000	1
						As at end of this financial year	As at end of the previous year	
						1	2	

Reconciliation to asset values determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	91	304734	301630
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93		
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98		
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100		
Other asset adjustments (may be negative)	101		
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	102	304734	301630
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

Analysis of admissible assetsName of insurer **Legal & General Assurance (Pensions Management) Limited**

Global business

Financial year ended **31 December 2014**Category of assets **Total long term insurance business assets**

	Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
	R13	1006112	GL	31	12	2014	£000	10
						As at end of this financial year	As at end of the previous year	
						1	2	
Land and buildings			11					
Investments in group undertakings and participating interests								
UK insurance dependants	Shares		21					
	Debts and loans		22					
Other insurance dependants	Shares		23					
	Debts and loans		24					
Non-insurance dependants	Shares		25					
	Debts and loans		26					
Other group undertakings	Shares		27					
	Debts and loans		28					
Participating interests	Shares		29					
	Debts and loans		30					
Other financial investments								
Equity shares			41					
Other shares and other variable yield participations			42					
Holdings in collective investment schemes			43					
Rights under derivative contracts			44					
Fixed interest securities	Approved		45			31463	31351	
	Other		46					
Variable interest securities	Approved		47					
	Other		48					
Participation in investment pools			49					
Loans secured by mortgages			50					
Loans to public or local authorities and nationalised industries or undertakings			51					
Loans secured by policies of insurance issued by the company			52					
Other loans			53					
Bank and approved credit & financial institution deposits	One month or less withdrawal		54			58780	33831	
	More than one month withdrawal		55					
Other financial investments			56					
Deposits with ceding undertakings			57					
Assets held to match linked liabilities	Index linked		58					
	Property linked		59			260377671	249563013	

Analysis of admissible assets

Name of insurer **Legal & General Assurance (Pensions Management) Limited**

Global business

Financial year ended **31 December 2014**

Category of assets **Total long term insurance business assets**

	Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
	R13	1006112	GL	31	12	2014	£000	10
						As at end of this financial year	As at end of the previous year	
						1	2	
Reinsurers' share of technical provisions								
Provision for unearned premiums			60					
Claims outstanding			61					
Provision for unexpired risks			62					
Other			63					
Debtors and salvage								
Direct insurance business	Policyholders		71			40443	29784	
	Intermediaries		72					
Salvage and subrogation recoveries			73					
Reinsurance	Accepted		74			1263	1173	
	Ceded		75					
Dependants	due in 12 months or less		76					
	due in more than 12 months		77					
Other	due in 12 months or less		78			13903	5681	
	due in more than 12 months		79					
Other assets								
Tangible assets			80					
Deposits not subject to time restriction on withdrawal with approved institutions			81			25477	6880	
Cash in hand			82					
Other assets (particulars to be specified by way of supplementary note)			83					
Accrued interest and rent			84			3	2	
Deferred acquisition costs (general business only)			85					
Other prepayments and accrued income			86			91022	84259	
Deductions from the aggregate value of assets								
			87					
Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)								
			89			260640025	249755974	

Analysis of admissible assets

Name of insurer **Legal & General Assurance (Pensions Management) Limited**

Global business

Financial year ended **31 December 2014**

Category of assets **Total long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	1006112	GL	31	12	2014	£000	10
					As at end of this financial year	As at end of the previous year	
					1	2	

Reconciliation to asset values determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	91	260640025	249755974
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93		
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98		
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100	319076	310735
Other asset adjustments (may be negative)	101		
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	102	260959101	250066709
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

Long term insurance business liabilities and margins

Name of insurer **Legal & General Assurance (Pensions Management) Limited**

Global business

Financial year ended **31 December 2014**Total business/Sub fund **Total long term business**Units **£000**

As at end of this financial year	As at end of the previous year
1	2

Mathematical reserves, after distribution of surplus	11	256309133	247426160	
Cash bonuses which had not been paid to policyholders prior to end of the financial year	12			
Balance of surplus/(valuation deficit)	13	30000	30000	
Long term insurance business fund carried forward (11 to 13)	14	256339133	247456160	
Claims outstanding	Gross	15		
	Reinsurers' share	16		
	Net (15-16)	17		
Provisions	Taxation	21		
	Other risks and charges	22		
Deposits received from reinsurers	23			
Creditors	Direct insurance business	31	154489	91388
	Reinsurance accepted	32	277	4810
	Reinsurance ceded	33		
Debenture loans	Secured	34		
	Unsecured	35		
Amounts owed to credit institutions	36			
Creditors	Taxation	37	24309	18355
	Other	38	4121518	2182805
Accruals and deferred income	39	299	2456	
Provision for "reasonably foreseeable adverse variations"	41			
Total other insurance and non-insurance liabilities (17 to 41)	49	4300892	2299814	
Excess of the value of net admissible assets	51			
Total liabilities and margins	59	260640025	249755974	

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	61	53011	41020
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	62	256309133	247426160

Total liabilities (11+12+49)	71	260610025	249725974
Increase to liabilities - DAC related	72		
Reinsurers' share of technical provisions	73	319076	310735
Other adjustments to liabilities (may be negative)	74		
Capital and reserves and fund for future appropriations	75	30000	30000
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (71 to 75)	76	260959101	250066709

Liabilities (other than long term insurance business)Name of insurer **Legal & General Assurance (Pensions Management) Limited**

Global business

Financial year ended **31 December 2014**

	Company registration number	GL/UK/CM	day	month	year	Units
R15	1006112	GL	31	12	2014	£000
			As at end of this financial year			As at end of the previous year
			1			2

Technical provisions (gross amount)

Provisions for unearned premiums	11		
Claims outstanding	12		
Provision for unexpired risks	13		
Equalisation provisions	Credit business	14	
	Other than credit business	15	
Other technical provisions	16		
Total gross technical provisions (11 to 16)	19		

Provisions and creditors

Provisions	Taxation	21	(4503)	(2424)
	Other risks and charges	22	22514	12118
Deposits received from reinsurers		31		
Creditors	Direct insurance business	41		
	Reinsurance accepted	42		
	Reinsurance ceded	43		
Debenture loans	Secured	44		
	Unsecured	45		
Amounts owed to credit institutions		46		
Creditors	Taxation	47	469	139
	Foreseeable dividend	48		
	Other	49	56049	55850
Accruals and deferred income		51		
Total (19 to 51)		59	74529	65683
Provision for "reasonably foreseeable adverse variations"		61		
Cumulative preference share capital		62		
Subordinated loan capital		63		
Total (59 to 63)		69	74529	65683
Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance		71	56050	55850

Amounts deducted from technical provisions for discounting	82		
Other adjustments (may be negative)	83	(18011)	(9694)
Capital and reserves	84	248216	245641
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (69-82+83+84)	85	304734	301630

Profit and loss account (non-technical account)Name of insurer **Legal & General Assurance (Pensions Management) Limited**

Global business

Financial year ended **31 December 2014**

		Company registration number	GL/ UK/ CM	day	month	year	Units
		R16	1006112	GL	31	12	2014
					This financial year		Previous year
					1		2
Transfer (to)/from the general insurance business technical account	From Form 20		11				
	Equalisation provisions		12				
Transfer from the long term insurance business revenue account			13			157851	159613
Investment income	Income		14			2	1
	Value re-adjustments on investments		15			295	134
	Gains on the realisation of investments		16			663	615
Investment charges	Investment management charges, including interest		17			50	50
	Value re-adjustments on investments		18				
	Loss on the realisation of investments		19				
Allocated investment return transferred to the general insurance business technical account			20				
Other income and charges (particulars to be specified by way of supplementary note)			21			(5)	(6)
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)			29			158756	160307
Tax on profit or loss on ordinary activities			31			181	139
Profit or loss on ordinary activities after tax (29-31)			39			158575	160168
Extraordinary profit or loss (particulars to be specified by way of supplementary note)			41				
Tax on extraordinary profit or loss			42				
Other taxes not shown under the preceding items			43				
Profit or loss for the financial year (39+41-(42+43))			49			158575	160168
Dividends (paid or foreseeable)			51			156000	160800
Profit or loss retained for the financial year (49-51)			59			2575	(632)

Long-term insurance business : Revenue account

Name of insurer **Legal & General Assurance (Pensions Management) Limited**
 Total business / subfund **Total long term business**
 Financial year ended **31 December 2014**
 Units **£000**

Financial year 1	Previous year 2
---------------------	--------------------

Income

Earned premiums	11	28005550	28524906
Investment income receivable before deduction of tax	12	6177900	6498163
Increase (decrease) in the value of non-linked assets brought into account	13		
Increase (decrease) in the value of linked assets	14	24745238	20076416
Other income	15	314260	301634
Total income	19	59242948	55401119

Expenditure

Claims incurred	21	49946892	43340667
Expenses payable	22	141950	135653
Interest payable before the deduction of tax	23	1107	416
Taxation	24	112175	21840
Other expenditure	25		
Transfer to (from) non technical account	26	157851	159613
Total expenditure	29	50359975	43658189

Business transfers - in	31		
Business transfers - out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	8882973	11742930
Fund brought forward	49	247456160	235713230
Fund carried forward (39+49)	59	256339133	247456160

Long-term insurance business : Analysis of premiums

Name of insurer **Legal & General Assurance (Pensions Management) Limited**
 Total business / subfund **Total long term business**
 Financial year ended **31 December 2014**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Regular premiums	11					
Single premiums	12		27409702	607921	28017623	28547259

Reinsurance - external

Regular premiums	13					
Single premiums	14		12073		12073	22353

Reinsurance - intra-group

Regular premiums	15					
Single premiums	16					

Net of reinsurance

Regular premiums	17					
Single premiums	18		27397629	607921	28005550	28524906

Total

Gross	19		27409702	607921	28017623	28547259
Reinsurance	20		12073		12073	22353
Net	21		27397629	607921	28005550	28524906

Long-term insurance business : Analysis of claims

Name of insurer **Legal & General Assurance (Pensions Management) Limited**
 Total business / subfund **Total long term business**
 Financial year ended **31 December 2014**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Death or disability lump sums	11				
Disability periodic payments	12				
Surrender or partial surrender	13		49561636	422245	49983881
Annuity payments	14		719		719
Lump sums on maturity	15				
Total	16		49562355	422245	49984600

Reinsurance - external

Death or disability lump sums	21				
Disability periodic payments	22				
Surrender or partial surrender	23		36989		36989
Annuity payments	24				
Lump sums on maturity	25				
Total	26		36989		36989

Reinsurance - intra-group

Death or disability lump sums	31				
Disability periodic payments	32				
Surrender or partial surrender	33				
Annuity payments	34		719		719
Lump sums on maturity	35				
Total	36		719		719

Net of reinsurance

Death or disability lump sums	41				
Disability periodic payments	42				
Surrender or partial surrender	43		49524647	422245	49946892
Annuity payments	44				
Lump sums on maturity	45				
Total	46		49524647	422245	49946892

Long-term insurance business : Analysis of expenses

Name of insurer **Legal & General Assurance (Pensions Management) Limited**
 Total business / subfund **Total long term business**
 Financial year ended **31 December 2014**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Commission - acquisition	11				
Commission - other	12				
Management - acquisition	13		25777	459	26236
Management - maintenance	14		104668	1863	106531
Management - other	15		9183		9183
Total	16		139628	2322	141950

Reinsurance - external

Commission - acquisition	21				
Commission - other	22				
Management - acquisition	23				
Management - maintenance	24				
Management - other	25				
Total	26				

Reinsurance - intra-group

Commission - acquisition	31				
Commission - other	32				
Management - acquisition	33				
Management - maintenance	34				
Management - other	35				
Total	36				

Net of reinsurance

Commission - acquisition	41				
Commission - other	42				
Management - acquisition	43		25777	459	26236
Management - maintenance	44		104668	1863	106531
Management - other	45		9183		9183
Total	46		139628	2322	141950

Long-term insurance business : Linked funds balance sheet

Name of insurer **Legal & General Assurance (Pensions Management) Limited**
Total business
Financial year ended **31 December 2014**
Units **£000**

Financial year	Previous year
1	2

Internal linked funds (excluding cross investment)

Directly held assets (excluding collective investment schemes)	11	239551721	238009540
Directly held assets in collective investment schemes of connected companies	12	17357618	10152251
Directly held assets in other collective investment schemes	13	27274	22075
Total assets (excluding cross investment) (11+12+ 13)	14	256936613	248183866
Provision for tax on unrealised capital gains	15		
Secured and unsecured loans	16	5460	7954
Other liabilities	17	622020	749752
Total net assets (14-15-16-17)	18	256309133	247426160

Directly held linked assets

Value of directly held linked assets	21		
--------------------------------------	----	--	--

Total

Value of directly held linked assets and units held (18+21)	31	256309133	247426160
Surplus units	32		
Deficit units	33		
Net unit liability (31-32+33)	34	256309133	247426160

Long-term insurance business : Revenue account for internal linked funds

Name of insurer **Legal & General Assurance (Pensions Management) Limited**
 Total business
 Financial year ended **31 December 2014**
 Units **£000**

Financial year 1	Previous year 2
---------------------	--------------------

Income

Value of total creation of units	11	28005550	28524201
Investment income attributable to the funds before deduction of tax	12	6193135	6481728
Increase (decrease) in the value of investments in the financial year	13	24752884	20076378
Other income	14		
Total income	19	58951569	55082307

Expenditure

Value of total cancellation of units	21	49948480	43345758
Charges for management	22	8698	8975
Charges in respect of tax on investment income	23	109528	(16716)
Taxation on realised capital gains	24		
Increase (decrease) in amount set aside for tax on capital gains not yet realised	25		
Other expenditure	26	1890	1360
Total expenditure	29	50068596	43339377

Increase (decrease) in funds in financial year (19-29)	39	8882973	11742930
Internal linked fund brought forward	49	247426160	235683230
Internal linked funds carried forward (39+49)	59	256309133	247426160

Long-term insurance business : Summary of new business

Name of insurer **Legal & General Assurance (Pensions Management) Limited**
 Total business
 Financial year ended **31 December 2014**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

**Number of new policyholders/
 scheme members for direct
 insurance business**

Regular premium business	11					
Single premium business	12					
Total	13					

**Amount of new regular
 premiums**

Direct insurance business	21					
External reinsurance	22					
Intra-group reinsurance	23					
Total	24					

**Amount of new single
 premiums**

Direct insurance business	25		23470148	405369	23875517	25633284
External reinsurance	26		2006560		2006560	1458858
Intra-group reinsurance	27		1932994	3081	1936075	1454412
Total	28		27409702	408450	27818152	28546554

Long-term insurance business : Analysis of new business

Name of insurer Legal & General Assurance (Pensions Management) Limited

Total business

Financial year ended 31 December 2014

Units £000

UK Pension / Direct Insurance Business

Product code number	Product description	Regular premium business		Single premium business	
		Number of policyholders / scheme members	Amount of premiums	Number of policyholders / scheme members	Amount of premiums
1	2	3	4	5	6
755	Trustee investment plan				1932840
765	Group managed fund				21537308

Long-term insurance business : Analysis of new business

Name of insurer **Legal & General Assurance (Pensions Management) Limited**
 Total business
 Financial year ended **31 December 2014**
 Units **£000**
 UK Pension / Reinsurance accepted external

Product code number	Product description	Regular premium business		Single premium business	
		Number of policyholders / scheme members	Amount of premiums	Number of policyholders / scheme members	Amount of premiums
1	2	3	4	5	6
755	Trustee Investment plan				2006560

Long-term insurance business : Analysis of new business

Name of insurer Legal & General Assurance (Pensions Management) Limited

Total business

Financial year ended

31 December 2014

Units

£000

UK Pension / Reinsurance accepted intra-group

Product code number	Product description	Regular premium business		Single premium business	
		Number of policyholders / scheme members	Amount of premiums	Number of policyholders / scheme members	Amount of premiums
1	2	3	4	5	6
755	Trustee investment plan				1932994

Long-term insurance business : Analysis of new business

Name of insurer Legal & General Assurance (Pensions Management) Limited

Total business

Financial year ended 31 December 2014

Units £000

Overseas / Direct Insurance Business

Product code number	Product description	Regular premium business		Single premium business	
		Number of policyholders / scheme members	Amount of premiums	Number of policyholders / scheme members	Amount of premiums
1	2	3	4	5	6
765	Group managed fund				405369

Long-term insurance business : Analysis of new business

Name of insurer
Legal & General Assurance (Pensions Management) Limited

Total business

Financial year ended

31 December 2014

Units

£000

Overseas / Reinsurance accepted intra-group

Product code number	Product description	Regular premium business		Single premium business	
		Number of policyholders / scheme members 3	Amount of premiums 4	Number of policyholders / scheme members 5	Amount of premiums 6
755	Trustee investment plan				
765	Group managed fund				3081

Long-term insurance business : Assets not held to match linked liabilities

Name of insurer **Legal & General Assurance (Pensions Management) Limited**
 Category of assets **10 Total long term insurance business assets**
 Financial year ended **31 December 2014**
 Units **£000**

Unadjusted assets	Economic exposure	Expected income from assets in column 2	Yield before adjustment	Return on assets in financial year
1	2	3	4	5

Assets backing non-profit liabilities and non-profit capital requirements

Land and buildings	11					
Approved fixed interest securities	12	31463	31463		0.42	
Other fixed interest securities	13					
Variable interest securities	14					
UK listed equity shares	15					
Non-UK listed equity shares	16					
Unlisted equity shares	17					
Other assets	18	230891	230891	484	0.11	
Total	19	262354	262354	484	0.15	

Assets backing with-profits liabilities and with-profits capital requirements

Land and buildings	21					
Approved fixed interest securities	22					
Other fixed interest securities	23					
Variable interest securities	24					
UK listed equity shares	25					
Non-UK listed equity shares	26					
Unlisted equity shares	27					
Other assets	28					
Total	29					

Overall return on with-profits assets

Post investment costs but pre-tax	31					
Return allocated to non taxable 'asset shares'	32					
Return allocated to taxable 'asset shares'	33					

Long-term insurance business : Fixed and variable interest assets

Name of insurer **Legal & General Assurance (Pensions Management) Limited**
 Category of assets **10 Total long term insurance business assets**
 Financial year ended **31 December 2014**
 Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
UK Government approved fixed interest securities	11	31463	0.26	0.42	0.42
Other approved fixed interest securities	21				
Other fixed interest securities					
AAA/Aaa	31				
AA/Aa	32				
A/A	33				
BBB/Baa	34				
BB/Ba	35				
B/B	36				
CCC/Caa	37				
Other (including unrated)	38				
Total other fixed interest securities	39				
Approved variable interest securities	41				
Other variable interest securities	51				
Total (11+21+39+41+51)	61	31463	0.26	0.42	0.42

Long-term insurance business : Summary of mathematical reserves

Name of insurer **Legal & General Assurance (Pensions Management) Limited**
 Total business / subfund **Total long term business**
 Financial year ended **31 December 2014**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Form 51 - with-profits	11				
Form 51 - non-profit	12		4121	4121	4458
Form 52	13				
Form 53 - linked	14		252277533	256624088	247732437
Form 53 - non-linked	15				
Form 54 - linked	16				
Form 54 - non-linked	17				
Total	18		252281654	256628209	247736895

Reinsurance - external

Form 51 - with-profits	21				
Form 51 - non-profit	22				
Form 52	23				
Form 53 - linked	24		314955	314955	306277
Form 53 - non-linked	25				
Form 54 - linked	26				
Form 54 - non-linked	27				
Total	28		314955	314955	306277

Reinsurance - intra-group

Form 51 - with-profits	31				
Form 51 - non-profit	32		4121	4121	4458
Form 52	33				
Form 53 - linked	34				
Form 53 - non-linked	35				
Form 54 - linked	36				
Form 54 - non-linked	37				
Total	38		4121	4121	4458

Net of reinsurance

Form 51 - with-profits	41				
Form 51 - non-profit	42				
Form 52	43				
Form 53 - linked	44		251962578	256309133	247426160
Form 53 - non-linked	45				
Form 54 - linked	46				
Form 54 - non-linked	47				
Total	48		251962578	256309133	247426160

Long-term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profits contracts)

Name of insurer **Legal & General Assurance (Pensions Management) Limited**
 Total business / subfund **Total long term business**
 Financial year ended **31 December 2014**
 Units **£000**
 UK Pension / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
400	Annuity non-profit (CPA)	75	816					4121

Long-term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profits contracts)

Name of insurer: **Legal & General Assurance (Pensions Management) Limited**
 Total long term business: **Total long term business**
 Financial year ended: **31 December 2014**
 Units: **£000**

UK Pension / Reinsurance ceded intra-group

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
400	Annuity non-profit (CPA)	75	816					4121

Long-term insurance business : Valuation summary of property linked contracts

Name of insurer **Legal & General Assurance (Pensions Management) Limited**
 Total business / subfund **Total long term business**
 Financial year ended **31 December 2014**
 Units **£000**

UK Pension / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
755	Trustee investment plan				36116033	36116033		36116033
765	Group managed fund				216161500	216161500		216161500

Long-term insurance business : Valuation summary of property linked contracts

Name of insurer **Legal & General Assurance (Pensions Management) Limited**
Total business / subfund **Total long term business**
Financial year ended **31 December 2014**
Units **£000**
UK Pension / Reinsurance ceded external

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
755	Trustee investment plan				45114	45114		45114
765	Group managed fund				269841	269841		269841

Long-term insurance business : Valuation summary of property linked contracts

Name of insurer Legal & General Assurance (Pensions Management) Limited

Total long term business

31 December 2014

£000

Name of insurer

Total business / subfund

Financial year ended

Units

Overseas / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
755	Trustee investment plan				266090	266090		266090
765	Group managed fund				4080465	4080465		4080465

Long-term insurance business : Unit prices for internal linked funds

Name of insurer Legal & General Assurance (Pensions Management) Limited

Total business

Financial year ended 31 December 2014

Units £000

Fund name 1	Type of fund 2	Net assets 3	Main series 4	Unit management charge 5	Price at previous valuation date 6	Price at current valuation date 7	Change in price during year 8
PMC CASH	24 - group managed fund - other managed fund	1446522			6.4377	6.4668	0.45
PMC ACTIVE CORP BOND ALL ST FD	24 - group managed fund - other managed fund	7008480			2.0758	2.3405	12.75
PMC ACTIVE CORP BOND > 10YR FD	24 - group managed fund - other managed fund	4420247			2.5668	3.0453	18.64
PMC HIGH YIELD BOND FUND	24 - group managed fund - other managed fund	297341			1.6276	1.7080	4.94
PMC PAN EUROPEAN CREDIT FUND	24 - group managed fund - other managed fund	288940			1.5602	1.7603	12.83
PMC CORE PLUS	24 - group managed fund - other managed fund	1476880			1.7270	1.9434	12.53
PMC LIQUIDITY FUND	24 - group managed fund - other managed fund	2174449			1.0804	1.0860	0.52
PMC ACTIVE USD CRD ALL STK FD	24 - group managed fund - other managed fund	244238			1.3411	1.5352	14.47
PMC ACTIVE USD CRD OVR 10 YR	24 - group managed fund - other managed fund	123068			1.3830	1.7139	23.92
PMC ACTIVE GBP CRDT ALL ST FD	24 - group managed fund - other managed fund	6749284			2.0811	2.3437	12.62
PMC USD ACT CDT DUR NEUTRAL	24 - group managed fund - other managed fund	249724			1.1474	1.2200	6.32
PMC ACT GBP CR +10YR FD	24 - group managed fund - other managed fund	4264467			2.5742	3.0519	18.56
PMC ACT USD DUR NEUT LG DTD	24 - group managed fund - other managed fund	127958			1.0644	1.1068	3.98
ACTIVE GBL CORP (GBP HDG) BD.F	24 - group managed fund - other managed fund	1358534			1.0751	1.1598	7.87
DIVERSIFIED FUND	24 - group managed fund - other managed fund	1089932			1.1883	1.3099	10.23
PRE-RETIREMENT CREDIT ONLY FD	24 - group managed fund - other managed fund	714569			0.9926	1.1563	16.49
2040 LEVERAGED IND-LK GILT FD	24 - group managed fund - other managed fund	305930			0.9164	1.6505	80.10
HYBRID PROPERTY (70:30)	24 - group managed fund - other managed fund	218625			1.2898	1.5316	18.75

Long-term insurance business : Unit prices for internal linked funds

Name of insurer Legal & General Assurance (Pensions Management) Limited

Total business

Financial year ended 31 December 2014

Units £000

Fund name 1	Type of fund 2	Net assets 3	Main series 4	Unit management charge 5	Price at previous valuation date 6	Price at current valuation date 7	Change in price during year 8
PMC LDI ACT CORP BD (2020)	24 - group managed fund - other managed fund	100541			1.6639	1.7746	6.65
PMC LDI ACT CORP BD (2040)	24 - group managed fund - other managed fund	203044			0.9918	1.5604	57.33
2030 LEVERAGED IND-LK GILT FD	24 - group managed fund - other managed fund	125328			1.0770	2.0175	87.33
2030 REAL FUND	24 - group managed fund - other managed fund	104831			1.8290	2.4656	34.81
2035 ACTIVE CORP BOND ALL STK	24 - group managed fund - other managed fund	151045			1.1393	2.8122	146.84
2035 FIXED FUND	24 - group managed fund - other managed fund	146991			1.2632	2.4078	90.62
2035 REAL FUND	24 - group managed fund - other managed fund	104039			1.8915	2.4467	29.35
PMC AAA AA A ALL IDX 2040RPI	24 - group managed fund - other managed fund	144849			1.0767	2.1972	104.06
2040 REAL FUND	24 - group managed fund - other managed fund	147952			0.9637	1.9268	99.94
2042 LEVERAGED GILT FUND	24 - group managed fund - other managed fund	134379			1.1849	2.0054	69.25
2047 LEVERAGED GILT FUND	24 - group managed fund - other managed fund	168762			0.8878	1.8564	109.10
2049 LEVERAGED GILT FUND	24 - group managed fund - other managed fund	134840			1.2150	2.0523	68.91
2050 LEVERAGED IND-LK GILT FUND	24 - group managed fund - other managed fund	213131			0.9109	1.8859	107.04
2055 LEVERAGED GILT FUND	24 - group managed fund - other managed fund	208427			1.2191	1.9204	57.53
2055 LEVERAGED IND-LK GILT FUND	24 - group managed fund - other managed fund	222414			1.2105	1.9717	62.88
2062 LEVERAGED IND-LK GILT FUND	24 - group managed fund - other managed fund	200661			6.2974	6.3179	0.33
PMC CASH (CHARGES INCLUDED)	24 - group managed fund - other managed fund	187365			1.0634	1.1657	9.62
DYNAMIC DIVERSIFIED FUND	24 - group managed fund - other managed fund	126991			1.0106	1.0187	0.80

Long-term insurance business : Unit prices for internal linked funds

Name of insurer Legal & General Assurance (Pensions Management) Limited

Total business

Financial year ended 31 December 2014

Units £000

1	2	3	4	5	6	7	8
Fund name	Type of fund	Net assets	Main series	Unit management charge	Price at previous valuation date	Price at current valuation date	Change in price during year
LIBOR PLUS	24 - group managed fund - other managed fund	126991			1.0706	1.0187	0.80
PMC CORE PLUS (DISTRIBUTION)	24 - group managed fund - other managed fund	290053				1.9432	
PMC CREDIT PORTFOLIO	24 - group managed fund - other managed fund	936147			0.9898	1.1091	12.05
PMC UK TREASURY BILLS FUND	24 - group managed fund - other managed fund	181409			1.0268	1.0305	0.36
Property	27 - group managed fund - property	2046296			34.0751	39.7861	16.76
LPI Property	27 - group managed fund - property	596357			1.3725	1.4965	9.04

Long-term insurance business : Distribution of surplus

Name of insurer **Legal & General Assurance (Pensions Management) Limited**
 Total business / subfund **Total long term business**
 Financial year ended **31 December 2014**
 Units **£000**

Financial year	Previous year
1	2

Valuation result

Fund carried forward	11	256339133	247456160
Bonus payments in anticipation of a surplus	12		
Transfer to non-technical account	13	157851	159613
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	256496984	247615773
Mathematical reserves	21	256309133	247426160
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	187851	189613

Composition of surplus

Balance brought forward	31	30000	30000
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33		
Surplus arising since the last valuation	34	157851	159613
Total	39	187851	189613

Distribution of surplus

Bonus paid in anticipation of a surplus	41		
Cash bonuses	42		
Reversionary bonuses	43		
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46		
Net transfer out of fund / part of fund	47	157851	159613
Total distributed surplus (46+47)	48	157851	159613
Surplus carried forward	49	30000	30000
Total (48+49)	59	187851	189613

Percentage of distributed surplus allocated to policyholders

Current year	61		
Current year - 1	62		
Current year - 2	63		
Current year - 3	64		

Long-term insurance capital requirement

Name of insurer **Legal & General Assurance (Pensions Management) Limited**

Global business

Financial year ended **31 December 2014**Units **£000**

LTICR factor	Gross reserves / capital at risk	Net reserves / capital at risk	Reinsurance factor	LTICR Financial year	LTICR Previous year
1	2	3	4	5	6

Insurance death risk capital component

Life protection reinsurance	11	0.0%				
Classes I (other), II and IX	12	0.1%				
Classes I (other), II and IX	13	0.15%				
Classes I (other), II and IX	14	0.3%				
Classes III, VII and VIII	15	0.3%				
Total	16					

Insurance health risk and life protection reinsurance capital component

Class IV supplementary classes 1 and 2 and life protection reinsurance	21					
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Insurance expense risk capital component

Life protection and permanent health reinsurance	31	0%				
Classes I (other), II and IX	32	1%	4121		0.85	35
Classes III, VII and VIII (investment risk)	33	1%	2144	2144	1.00	21
Classes III, VII and VIII (expenses fixed 5 yrs +)	34	1%				
Classes III, VII and VIII (other)	35	25%				28929
Class IV (other)	36	1%				
Class V	37	1%				
Class VI	38	1%				
Total	39					28985

Insurance market risk capital component

Life protection and permanent health reinsurance	41	0%				
Classes I (other), II and IX	42	3%	4121		0.85	105
Classes III, VII and VIII (investment risk)	43	3%	2144	2144	1.00	64
Classes III, VII and VIII (expenses fixed 5 yrs +)	44	0%				
Classes III, VII and VIII (other)	45	0%	256306989	256306989		
Class IV (other)	46	3%				
Class V	47	0%				
Class VI	48	3%				
Total	49		256313254	256309133		169

Long term insurance capital requirement	51					29154
						28191

Returns under the Accounts and Statements Rules
Supplementary Notes
Legal and General Assurance (Pensions Management) Limited
Financial year ended 31 December 2014

***0301* Reconciliation of Net Admissible Assets to the capital resources shown on Form 3**

	£'000
Form 13, Line 89 (other than long-term)	304,734
Form 13, Line 89 (long-term)	260,640,025
LESS:	
Form 14, Line 11	(256,309,133)
Form 14, Line 49	(4,300,892)
Form 15, Line 69	(74,529)
Core tier one capital (line 39)	<u>260,205</u>
Total capital resources after deductions (line 79)	<u>260,205</u>

***0310* Net valuation differences**

In accordance with GENPRU 1.3.9R(2) this relates to the firms' share of the group deficit reduction amount (net of tax)

***0313* Reconciliation of Profit and Loss account and other reserves Form 3 line 12 to the profit and loss retained Form 16 line 59**

	£'000
Form 3, Line 12, (Profit and Loss account and other reserves 2014)	278,116
Form 3, Line 12, (Profit and Loss account and other reserves 2013)	(275,541)
Form 16, Line 59 (Profit and Loss retained for the financial year)	<u>2,575</u>

***1301* OLTB: Aggregate Value of Certain Investments**

The Company has no assets of the types specified in instruction 5 to Form 13.

***1302* OLTB: Hybrid Securities**

The Company has no hybrid securities.

***1303* OLTB: Salvage or Subrogation Recoveries**

The Company has not included any salvage or subrogation recoveries in Form 13.

**Returns under the Accounts and Statements Rules
Supplementary Notes
Legal and General Assurance (Pensions Management) Limited
Financial year ended 31 December 2014**

***1304* OLTB: Set Off**

In accordance with paragraph 8 of Appendix 9.1, amounts shown in Forms 13 and 15 have been calculated by netting amounts to the extent permitted by generally accepted accounting principles.

***1305* OLTB: Counterparty Limits**

- (a) The Investment Manager is assigned diversification limits to manage shareholder exposures to external counterparties. The diversification policy is set by the Counterparty Credit Committee on behalf of the Risk Compliance Committee and the Company's Board of Directors. Diversification limits are subject to the Investment Manager's independent portfolio monitoring and breach reporting processes.
- (b) These limits were not exceeded during the financial year.

***1307* OLTB: Secured Obligations**

The Company has no OLTB rights to which paragraph 14 of Part I of Appendix 4.2 applies. For the Company's secured LTB rights, see Note 1313 below.

***1308* LTB: Aggregate Value of Certain Investments**

The Company has no assets of the types specified in instruction 5 to Form 13.

***1309* LTB: Hybrid Securities**

The Company has no hybrid securities.

***1310* LTB: Set Off**

In accordance with paragraph 8 of Appendix 9.1, amounts shown in Forms 13 and 15 have been calculated by netting amounts to the extent permitted by generally accepted accounting principles.

The amount in line 78 relates to segregated clients.

***1312* LTB: Counterparty Limits**

The non-linked assets held within the long-term insurance fund are treated as shareholders' funds for this purpose (see Note 1305).

Returns under the Accounts and Statements Rules
Supplementary Notes
Legal and General Assurance (Pensions Management) Limited
Financial year ended 31 December 2014

***1313* LTB: Secured Obligations**

The Company has rights to which paragraph 14 of Part I of Appendix 4.2 applies under its reinsurance treaty with Swiss Re Europe S.A (see section 9 of the Abstract of the Valuation Report prepared by the Actuarial Function Head). The potential value of these rights at the Valuation Date was equal to the deduction for Reinsurance Ceded shown on Form 53.

***1401* LTB: Provision for Adverse Changes**

The Company has no obligations to which rule INSPRU 3.2 applies. Accordingly there is no method used to determine any provision for adverse changes.

***1402* LTB: Details of Charges over Assets, Contingent Liabilities etc.**

- (i) No charge has been made on the assets of the Company to secure the liabilities of any other person.
- (ii) Generally the fund has no liability to tax on capital gains that might arise if the Company disposed of its assets.
- (iii) Provision for the liabilities arising under contracts with policyholders is based on certain assumptions. The variance of actual experience from that assumed may result in such liabilities differing from the provisions made for them. Liabilities may also arise in respect of claims relating to the interpretation of such contracts, or the circumstances in which policyholders have entered into them. In addition, the extent of liabilities in respect of contracts with policyholders may be affected by Court judgments, Ombudsman rulings, regulatory action and industry compensation schemes. Whilst it is not possible to predict with certainty the resultant financial impact or timing of all these factors, the Company considers that provisions have been made on a prudent basis and that it has adequate capital and reserves to meet all reasonably foreseeable eventualities.
- (iv) There are no guarantees, indemnities or other contractual commitments other than in the ordinary course of insurance business in respect of the existing or future liabilities of any related Company.
- (v) There is no other fundamental uncertainty.

***1501* OLTB: Provision for Adverse Changes**

The Company has no obligations to which rule INSPRU 3.2 applies. Accordingly there is no method used to determine any provision for adverse changes.

Returns under the Accounts and Statements Rules
Supplementary Notes
Legal and General Assurance (Pensions Management) Limited
Financial year ended 31 December 2014

***1502* OLTB: Details of Charges over Assets, Contingent Liabilities etc.**

- (i) No charge has been made on the assets of the Company to secure the liabilities of any other person.
- (ii) There is no liability to tax on capital gains that might arise if the Company disposed of its assets.
- (iii) Provision for the liabilities arising under contracts with policyholders is based on certain assumptions. The variance of actual experience from that assumed may result in such liabilities differing from the provisions made for them. Liabilities may also arise in respect of claims relating to the interpretation of such contracts, or the circumstances in which policyholders have entered into them. In addition, the extent of liabilities in respect of contracts with policyholders may be affected by Court judgements, Ombudsman rulings, regulatory action and industry compensation schemes. Whilst it is not possible to predict with certainty the resultant financial impact or timing of all these factors, the Company considers that provisions have been made on a prudent basis and that it has adequate capital and reserves to meet all reasonably foreseeable eventualities.
- (iv) There are no guarantees, indemnities or other contractual commitments other than in the ordinary course of insurance business in respect of the existing or future liabilities of any related Company.
- (v) There is no other fundamental uncertainty.

***1506* Net valuation differences**

In accordance with GENPRU 1.3.9R(2) this relates to the firms' share of the group pension deficit reduction amount.

***1507* Net valuation differences**

In accordance with GENPRU 1.3.9R(2) this relates to the firms' share of the group pension deficit reduction amount (net of tax).

***1601* Basis of Conversion of Foreign Currency**

Assets, liabilities and revenue transactions in foreign currencies are translated to sterling at rates of exchange ruling at the end of the period other than certain revenue transactions which are translated to sterling at the appropriate rates prevailing during the period.

***1603* Other Income and Charges**

Other charges consist of custody charges for OLTB assets.

**Returns under the Accounts and Statements Rules
Supplementary Notes
Legal and General Assurance (Pensions Management) Limited
Financial year ended 31 December 2014**

***1700* Omission of Form**

Form omitted as all entries (including comparatives) would be blank.

***4002* Other Income and Expenditure**

Other income consists of: -

	£'000 2014	£'000 2013
Investment management fees for pension fund management contracts	314,566	301,953
Specific charges to clients on asset allocation, subsidies, ex-gratia payments and stock reservation recoveries	196	256
Interest claims	(502)	(575)
	314,260	301,634

***4006* Allocation of Income, Appreciation/Depreciation, Expenses and Taxation**

As there is only one long-term insurance fund all investment income, increase or decrease in the value of the assets brought into account, expenses and taxation is directly allocated to the fund.

***4008* Provision of Management Services to or by the Company**

- (a) Legal & General Investment Management (Holdings) Limited ("LGIM(H)") provides, either directly or indirectly, administration services to the Company.
- (b) Legal & General Investment Management Limited, a wholly owned subsidiary of LGIM(H), provides investment management services to the Company.
- (c) Legal & General Investment Management Corporate Director Limited, a wholly owned subsidiary of LGIM(H), provides management services to the Company.

***4009* Material Connected Party Transactions**

Names of transacting parties	Legal & General Investment Management (Holdings) Limited
Relationship between transacting parties	Parent
Description of transaction	Administration services
Amounts involved £'000	40,442
Other relevant elements of the transaction	None
Amounts written off in respect of debts due to/from connected parties	None

Returns under the Accounts and Statements Rules
Supplementary Notes
Legal and General Assurance (Pensions Management) Limited
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Names of transacting parties	Legal & General Investment Management Limited
Relationship between transacting parties	Fellow subsidiary undertakings
Description of transaction	Investment management services
Amounts involved £'000	84,474
Other relevant elements of the transaction	None
Amounts written off in respect of debts due to/from connected parties	None
Names of transacting parties	LGIM Corporate Director Limited
Relationship between transacting parties	Fellow subsidiary undertakings
Description of transaction	Management services
Amounts involved £'000	6,208
Other relevant elements of the transaction	None
Amounts written off in respect of debts due to/from connected parties	None

***4401* Basis of Valuation of Assets**

The long-term insurance business assets have been valued at bid or single price of the underlying securities.

***4402* Rights under Derivative Contracts**

Rights under derivative contracts are held as assets by the internal linked funds as follows:

	£'000
AG: Overseas Bond Index Fund	9
APAD: Infrastructure Equity MFG	741
APAE: Infrastructure Equity MFG - GBP Hedged	117
APAM: Russell Fundamental Global Large Company Index Fund	5,026
APAN: Russell Global Large Cap Defensive Index Fund	6,012
APAS: Global Real Estate Equity Index - GBP Hedged	465
B: UK Fixed Interest - All Stocks	3
BC: Asia Emerging Markets Equity Index Fund	80
BJ: Active Corp Bond - Over 10 Yr	9,751
C: Property	180
CG: Over 5 Year US Inflation Lead Index Fund	3
CS: Eurozone Equity Index (net WHT)	1
CSAG: Active Global Corporate Bond - GBP Hedged	79
DC: Active Corp Bond - All Stocks	20,059
DJ: Americas/Africa Adv Emerging	2
DX: 15 Year Fixed Interest Fund	1

Returns under the Accounts and Statements Rules
Supplementary Notes
Legal and General Assurance (Pensions Management) Limited
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EC: Japan Equity Index - GBP Hedged	30,700
ED: Europe (ex UK) Index - GBP Hedged	27,024
EE: N America Eq Index - GBP Hedged	28,646
EF: Asia Pacific ex Japan Dev Index - GBP Hedged	176,487
EPAB: Europe (ex UK) NetWHT Index - GBP Hedged	21
EPAD: Europe (ex UK ex Eurozone) Equity (Net WHT) - EUR Hedged	1,224
EW: N America Net US WHT - EUR Hedged	136
EX: Japan Equity Net WHT Index - EUR Hedged	851
FA: Overseas Bond Index - GBP Hedged	474
FG: UK World Equity Index - EUR Hedged (Net WHT)	1,895
GBPL: FTSE World Dev Ex Tobacco Index	13
GC: N America Net US WHT - GBP Hedged	35
GPAB: MSCI Value Weighted Dev Index	18,861
GPAC: MSCI Val Weight Dev Index - GBP Hedged	218
GPAE: FSTE - RAFI Dev 1000 Equity Fund	10
GPAH: FTSE RAFI AW 3000 - GBP Hedged	1
GPAS: FTSE RAFI All World 3000 (Net WHT) Index Fund	2,223
GPAX: FTSE RAFI All World 3000 - North America Equity Index	18,774
GPBA: FTSE RAFI AW 3000 Dev Equity Index Des	9
GPBB: Ethical Global Equity Index Fund - GBP Hedged	53
GPBD: FTSE RAFI AW 3000 Dev Equity Ind Des	32
GPBM: FTSE World Dev Ex-Tobacco - GBP Hedged	4
GPBN: FTSE All World Min Vari Equity	325
GX: North America Equity (Net US WHT) Index	29,633
HH: Eur ex UK Adv Emerging Equity Index	595
HN: World Emerging Markets Equity Index	316
HP: UK FTSE 100 Equity Index	2
HS: Middle East/Africa Equity Index	8
JV: Ethical Global Equity ex US Index	104
KR: Japan Eq Net WHT Index - GBP Hedged	11
KT: High Yield Bond	1,204
KV: Asia Pacific Adv Emerging Index	3
LG: Client Specific Unitised	7
LK: Client Specific Unitised	1
LR: Client Specific Unitised	795
LV: Client Specific Unitised	1,446
MAAD: Overlay Dynamic Diversified Fund	44,210
MAAL: Euro Dynamic Diversified Overlay Fund	89
MB: Global Infrastructure Equity Index	6
MC: Global List Private Equity Fund	16,771
MD: Global Real Estate Equity Index	2
N: UK Equity Index	7
PA: Europe (ex UK) Equity Index (Des E)	3
PC: Asia Pacific ex Japan Dev Equity Des E	1,084
PPAA: Asia Pacific (ex Japan) - EUR Hedged	687
PT: World Equity Index (MSCI)	8

Returns under the Accounts and Statements Rules
Supplementary Notes
Legal and General Assurance (Pensions Management) Limited
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PV: World Equity Index (MSCI) - GBP Hedged	1
S: North America Equity Index	3,085
T: Europe (ex UK) Equity Index	5,246
TE: Active GBP Collateralized & Corporate	221
TLAH: Client Specific Unitised	154
TLAJ: Client Specific Unitised	2,344
TLAN: Client Specific Unitised	4,204
TLAR: Client Specific Unitised	150
TLAS: Client Specific Unitised	18
TLAT: Client Specific Unitised	3,101
TR: Mid East/Africa Equity Index - GBP Hedged	614
TSBD: Client Specific Unitised	10,182
UPAB: FTSE 250 Index Fund	470
VA: EUR Corp Pass 6A Fund - GBP Hedged	2
VF: USD Corp Pass 6A Fund - GBP Hedged	195
W: Asia Pacific ex Japan Dev Equity Index	1
WS: Active GBP Credit All Stocks	1,922
WT: Active GBP Credit Over 10 Yr Fund	3,156,296
XG: USD Active Credit Duration Neutral	39
XP: Client Specific Unitised	39,188
XPAA: FTSE - RAFI Emerging Markets Equity	47
XPAB: Emerging Passive local CCY Gov Bond	804
XPAC: Emerging Markets USD Gov Bond - GBP Hedged	76
YAAG: Euro Liquidity (2012) Fund	82,112
YM: GER/FR/NL Government Bond 15 Year Index	336,338
YX: FTSE RAFI AW 3000 Equity Index	848,969
	4,943,316

Liabilities in relation to derivative contracts are held by the internal linked funds as follows:

	£'000
APAE: Infrastructure Equity MFG - GBP Hedged	(4,535)
APAF: Asia Pacific (Ex Japan) Dev REEIT	(8,211)
APAS: Global Real Estate Equity Index - GBP Hedged	(2,260)
BC: Asia Emerging Markets Equity Index Fund	(30)
BJ: Active Corp Bond - Over 10 Yr	(12,168)
CG: Over 5 Year US Inflation Lead Index Fund	(5)
CSAG: Active Global Corporate Bond - GBP Hedged	(18,571)
DC: Active Corp Bond - All Stocks	(6,583)
DJ: Americas/Africa Adv Emerging	(8,229)
EC: Japan Equity Index - GBP Hedged	(17,910)
ED: Europe (ex UK) Index - GBP Hedged	(31,959)
EE: N America Eq Index - GBP Hedged	(173)
EF: Asia Pacific ex Japan Dev Index - GBP Hedged	(114,590)
EPAB: Europe (ex UK) NetWHT Index - GBP Hedged	(1)
EPAD: Europe (ex UK ex Eurozone) Equity (Net WHT) - EUR Hedged	(150)

Returns under the Accounts and Statements Rules
Supplementary Notes
Legal and General Assurance (Pensions Management) Limited
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EW: N America Net US WHT - EUR Hedged	(785)
EX: Japan Equity Net WHT Index - EUR Hedged	(10,687)
FA: Overseas Bond Index - GBP Hedged	(9)
FG: UK World Equity Index - EUR Hedged (Net WHT)	(12,494)
GC: N America Net US WHT - GBP Hedged	(1,313)
GPAB: MSCI Value Weighted Dev Index	(865)
GPAC: MSCI Val Weight Dev Index - GBP Hedged	(1,467)
GPAH: FTSE RAFI AW 3000 - GBP Hedged	(520)
GPAS: FTSE RAFI All World 3000 (Net WHT) Index Fund	(2,516)
GPBB: Ethical Global Equity Index Fund - GBP Hedged	(172)
GPBD: FTSE RAFI AW 3000 Dev Equity Ind Des	(3,937)
GPBM: FTSE World Dev Ex-Tobacco - GBP Hedged	(1,378)
HN: World Emerging Markets Equity Index	(143)
KN: Japan Equity (Net WHT) Index	(7,170)
KR: Japan Eq Net WHT Index - GBP Hedged	(1)
KT: High Yield Bond	(472)
KV: Asia Pacific Adv Emerging Index	(1)
LFAB: AAA Eurozone Index Linked All Stock	(82)
LK: Client Specific Unitised	(2)
LR: Client Specific Unitised	(705)
LV: Client Specific Unitised	(107)
MAAD: Overlay Dynamic Diversified Fund	(3,902)
MAAL: Euro Dynamic Diversified Overlay Fund	(7)
MAAP: Ret Income Multi-Asset Overlay	(37)
MC: Global List Private Equity Fund	(417)
NB: LDI 6A Corporate Bond (LIBOR)	(44)
NC: LDI Active Corporate Bond (LIBOR)	(124)
PA: Europe (ex UK) Equity Index (Des E)	(1)
PPAA: Asia Pacific (ex Japan) - EUR Hedged	(2)
PT: World Equity Index (MSCI)	(2)
PV: World Equity Index (MSCI) - GBP Hedged	(33)
R: Japan Equity Index Fund	(5)
S: North America Equity Index	(509)
T: Europe (ex UK) Equity Index	(5,381)
TE: Active GBP Collateralized & Corporate	(798)
TLAH: Client Specific Unitised	(8,898)
TLAJ: Client Specific Unitised	(2,806)
TLAN: Client Specific Unitised	(2,327)
TLAR: Client Specific Unitised	(23,824)
TLAS: Client Specific Unitised	(13,346)
TLAT: Client Specific Unitised	(54,280)
TR: Mid East/Africa Equity Index - GBP Hedged	(7)
TSBD: Client Specific Unitised	(6,520)
VA: EUR Corp Pass 6A Fund - GBP Hedged	(2,238,154)
VB: USD EUR Corporate Bond Index Fund	(4)
VF: USD Corp Pass 6A Fund - GBP Hedged	(298,726)
W: Asia Pacific ex Japan Dev Equity Index	(1)
WJ: Active USD Duration Neutral Long Dated	(2)

Returns under the Accounts and Statements Rules
Supplementary Notes
Legal and General Assurance (Pensions Management) Limited
Financial year ended 31 December 2014

WS: Active GBP Credit All Stocks	(539,109)
WT: Active GBP Credit Over 10 Yr Fund	(26)
XG: USD Active Credit Duration Neutral	(550)
XP: Client Specific Unitised	(80)
XPAA: FTSE - RAFI Emerging Markets Equity	(3)
XPAC: Emerging Markets USD Gov Bond - GBP Hedged	(14,923)
YAAG: Euro Liquidity (2012) Fund	(87,753)
YX: FTSE RAFI AW 3000 Equity Index	(3,628)
	(3,576,430)

Rights under contracts which have the effect of derivative contracts are held as assets by the internal linked funds as follows: -

	£'000
APAN: Russell Global Large Cap Defensive Index Fund	2
BC: Asia Emerging Markets Equity Index Fund	3,032
GBPL: FTSE World Dev Ex Tobacco Index	1
GPAB: MSCI Value Weighted Dev Index	2
GPAE: FSTE - RAFI Dev 1000 Equity Fund	11
GPAS: FTSE RAFI All World 3000 (Net WHT) Index Fund	1
GPBA: FTSE RAFI AW 3000 Dev Equity Index Des	1
GPBD: FTSE RAFI AW 3000 Dev Equity Ind Des	7
HN: World Emerging Markets Equity Index	167
MD: Global Real Estate Equity Index	214
PC: Asia Pacific ex Japan Dev Equity Des E	47
PT: World Equity Index (MSCI)	8
TSBD: Client Specific Unitised	15
W: Asia Pacific ex Japan Dev Equity Index	73
YX: FTSE RAFI AW 3000 Equity Index	41
	3,622

***4502* Other Income and Expenditure**

Other expenditure consists of: -

	£'000
Property Surveyor fees	515
Expenses On Dividends Received	359
Other Expenses	1,016
	1,890

**Returns under the Accounts and Statements Rules
Supplementary Notes
Legal and General Assurance (Pensions Management) Limited
Financial year ended 31 December 2014**

***4601* Non-linked Group Contracts**

At the end of the report period there were 75 non-linked group contracts in force covered by one treaty for reinsurance ceded.

***4602* Linked Group Contracts**

At the end of the report period there were 2752 linked group contracts in force.

***4701* Analysis of New Business**

All business is regarded as recurrent single premium business. The number of new policyholders/scheme members is zero as the benefits at member level is unknown.

***4801* Accrued Interest**

The Company has only one fund to which assets covering long-term insurance business liabilities are appropriated.

***5200* Omission of Form**

Form omitted as all entries (including comparatives) would be blank.

***5400* Omission of Form**

Form omitted as all entries (including comparatives) would be blank.

***5600* Omission of Form**

Form omitted as all entries (including comparatives) would be blank.

***5700* Omission of Form**

A total Form 57 has been omitted, as it would be the same as the underlying Form 57.

***5900* Omission of Form**

Form omitted as all entries (including comparatives) would be blank.

***5900* Omission of Form**

Form omitted as all entries (including comparatives) would be blank.

***6002* Insurance expense risk capital component**

The £2,144k in line 33 relates to the MMAVC.

Return under the Accounts and Statements Rules
Statements required by the Rules
Legal and General Assurance (Pensions Management) Limited
Financial year ended 31 December 2014

Rule 9.29: Additional information on derivative contracts

- a) Investment objectives and guidelines are set for each fund. These reflect the specific objectives of the fund in terms of its asset structure, permitted holdings and performance targets. Compliance with the rules and Guidance in respect of the derivatives is taken fully into account during drafting. The overriding principles are to have adequate controls in place to ensure long term funds are not exposed excessively to risks related to derivative contracts. Specific guidelines are set and these are summarised below:
- (i) The use of derivatives must be appropriately justified as efficient portfolio management or as a reduction of investment risks.
 - (ii) Adequate cover must be maintained to enable obligations to be met and rights to be exercised.
 - (iii) Regular monitoring should be performed in order to determine aggregate exposure to each asset and counterparty exposure (for which a limit is set).
 - (iv) Monitoring and valuation procedures must enable the external reporting on derivative contracts to be completed satisfactorily.
 - (v) Derivatives must be based on assets which are themselves admissible or based on an index of such assets or based on an official index of retail prices.
 - (vi) Derivatives transactions should only be undertaken in the full knowledge of their treatment for tax purposes to ensure that such transactions are financially appropriate.
- b) The investment objectives and guidelines do not specifically refer to derivative contracts as referred to in sub-paragraph (b) of the rule.
- c) The Company has not been party to any derivative contract during the financial year of the kind described in sub-paragraph (b) of the rule.
- d) There were no circumstances surrounding the use, during the year, of any derivative or quasi derivative which required a significant provision under INSPRU 3.2.17R or that did not fall under the definition of a permitted derivatives contract under the permitted link rules.
- e) No considerations were received by the firm during the year for granting rights under derivatives or quasi derivatives. (The company received £840,279 of underwriting commission).

**Return under the Accounts and Statements Rules
Statements required by the Rules
Legal and General Assurance (Pensions Management) Limited
Financial year ended 31 December 2014**

Rule 9.30: Additional information on controllers

Legal & General Group Plc ("the Group") was, throughout the year, a shareholder controller of the Company. The Group holds all the ordinary share capital and voting rights in Legal & General Investment Management (Holdings) Limited, which holds all the share capital and voting rights in the Company.

Returns under the Accounts and Statements Rules (IPRU (INS))
Appendix 9.4 (Rule 9.31):
Legal and General Assurance (Pensions Management) Ltd
Abstract of the Valuation Report
Financial year ended 31 December 2014

1. Introduction

- 1.(1) The date to which this investigation relates, namely the valuation date, is 31 December 2014.
- 1.(2) The date of the previous investigation under rule 9.4 was 31 December 2013.
- 1.(3) There have been no valuations (for the purposes of rule 9.4) since the previous investigation.

2. Product range

- 2.(1) The pooled fund contract provides for investment of the assets of defined benefit and defined contribution pension schemes into linked funds. The name of the fund section generally indicates the nature of the underlying assets.
- 2.(2) 79 new sections were created in 2014. These are listed and include the internal reference code.

2014 Opened Funds (Code Name)

1.	APAS	Global Real Estate Equity Index - GBP Hedge
2.	BFAC	Eurozone 5A Government Bond Over 10 Year
3.	BFAD	Eurozone 5A Government Bond Under 5 Year
4.	BFAK	Eurozone 5A Government Bond >10Yr (including charges)
5.	CAAG	Buy & Maintain Credit
6.	CAAK	Core Plus (Distribution)
7.	CAAL	Buy & Maintain Credit (Distribution)
8.	CCAB	BBB Corp Bond - All Stocks Index
9.	CCAF	BBB Corp Bond > 15 Year Index
10.	CCAG	5A Fixed Interest 1-15Yr Target Duration
11.	CYAB	Pre-Retirement Inflation Sensitive
12.	CYAC	Pre-Retirement Inflation Sensitive (including charges)
13.	CYAE	Pre-Retirement Inflation Linked (including charges)
14.	CYAF	Buyout Aware Fix Short Fund
15.	CYAG	Buyout Aware Fix Long Fund
16.	CYAH	Buyout Aware Real Short Fund
17.	CYAJ	Buyout Aware Real Long Fund
18.	DAAA	LGIM (Irish)Grow Well (including charges)
19.	DAAB	LGIM (UK)Grow Well (including charges)
20.	DAAC	LGIM (Irish) Equity Well (including charges)
21.	DAAD	LGIM (UK) Equity Well (including charges)
22.	DAAE	LGIM (Irish) Cash Well (including charges)
23.	DAAF	LGIM (UK)Cash Well (including charges)
24.	DAAG	LGIM (Irish) Ann Well (including charges)

Returns under the Accounts and Statements Rules (IPRU (INS))

Appendix 9.4 (Rule 9.31):

Legal and General Assurance (Pensions Management) Ltd

Abstract of the Valuation Report

Financial year ended 31 December 2014

25.	DAAH	LGIM (UK) Ann Well (including charges)
26.	DAAK	LGIM (UK) Grow Well (Gross)
27.	DAAL	LGIM (Irish) Equity Well Gross
28.	DAAM	LGIM (UK) Cash Well (Gross)
29.	DAAN	LGIM (Irish) Ann Well (Gross)
30.	DAAP	LGIM (Irish) Grow Well (Gross)
31.	DAAR	LGIM (UK) Equity Well (Gross)
32.	DAAS	LGIM (Irish) Cash Well (Gross)
33.	DAAT	LGIM (UK) Ann Well (Gross)
34.	DD	European excluding UK & Eurozone Index (net of WHT)
35.	DJ	Americas/Africa Adv Emerging
36.	DMAA	L&G Inv Global Absolute Return Strategy - GBP
37.	DMAB	LGIM Real Return GBP ExSH2
38.	DMAC	L&G Inv Global Absolute Return Strategy - EUR
39.	DMAD	LGIM Global Real Return EUR
40.	EPAD	European excl UK & Eurozone Equity (net of WHT) EUR Hedged
41.	EW	North America (Net of US WHT) EUR Hedged
42.	EX	Japan Equity (Net of WHT) Index - EUR Hedged
43.	FAAW	Leveraged Index Linked Gilt
44.	FABN	Leveraged Gilt Fund
45.	FABT	Matching Core Real Long Ser 1
46.	FB	Index-Linked Gilt
47.	FG	UK World Equity Index (Net of WHT) - EUR Hedged
48.	GPAE	FTSE-RAFI Dev 1000 Equity Fund
49.	GPBE	All World Equity Index
50.	GPBF	All World Equity Index GBP Hedged
51.	GPBK	MSCI World Mini Volatility Index
52.	GPBL	FTSE World Dev excluding Tobacco Index
53.	GPBM	FTSE World Dev excluding Tobacco Index- GBP Hedge
54.	GPBN	FTSE AW Min Variance Equity Index
55.	HH	Europe ex UK Adv Emerging Equity Index
56.	HS	Middle East/Africa Dev Equity Index
57.	MAAC	Dynamic Diversified Fund
58.	MAAF	Dynamic Diversified Fund (including charges)
59.	MAAN	Retirement Income Multi-Asset
60.	MAAP	Retirement Including Multi Asset Overlay
61.	PB	Japan Equity Index (Des E)
62.	PPAA	Asia Pacific excluding Japan Dev Equity Index EUR Hedged
63.	TLBB	Client Specific Unitised
64.	TR	Mid East/Africa Dev Equity - GBP Hedged
65.	TSBL	Client Specific Unitised

Returns under the Accounts and Statements Rules (IPRU (INS))
Appendix 9.4 (Rule 9.31):
Legal and General Assurance (Pensions Management) Ltd
Abstract of the Valuation Report
Financial year ended 31 December 2014

66.	TSBR	Client Specific Unitised
67.	TSBS	Optima III
68.	TSBT	Optima IV
69.	TSBU	Client Specific Unitised
70.	TSBV	Client Specific Unitised
71.	TSBY	Client Specific Unitised
72.	TSCA	Client Specific Unitised
73.	UPAC	FTSE All-Share excluding Tobacco Equity Index
74.	WC	Mega Cap Index Designation
75.	XPAA	FTSE-RAFI Emerging Markets Equity
76.	XR	GBP Corp Fin Bond 6A (Passive)
77.	XS	GBP Corp Ex Fin Bond 6A (Passive)
78.	YAAG	Sterling Liquidity Euro Hedged
79.	YN	GER/FR/NL Government Bond-All Stocks Index

26 sections were withdrawn in 2014. These are listed below and include the internal reference code.

2014 Closed Funds (Code Name)

1.	CAAD	US Special Situations
2.	LUAE	< 15 year Index-Linked Gilts Index (including charges)
3.	TSAJ	Client Specific Unitised
4.	TSAK	Client Specific Unitised
5.	TSAL	Client Specific Unitised
6.	CAAC	Core Plus (USS)
7.	TF	Active US Credit
8.	VY	Global Equity Market Weight 30:70 (Net Withholding Tax) 75% GBP Hedge
9.	WA	World excluding UK (Net Withholding Tax) Equity
10.	WB	World excluding UK (Net Withholding Tax) Equity GBP Hedge
11.	XE	Client Specific Unitised
12.	PR	UK FTSE 100 Equity Index
13.	TV	Global Credit 6A 40% Fin Pass GBP Hedge
14.	EL	Tracker Fund
15.	EM	Balanced Fund
16.	CCAE	Corporate Bonds
17.	TSAT	Client Specific Unitised
18.	TSAH	Client Specific Unitised
19.	XV	Money Market Maturity II - Readily Available

Returns under the Accounts and Statements Rules (IPRU (INS))

Appendix 9.4 (Rule 9.31):

Legal and General Assurance (Pensions Management) Ltd

Abstract of the Valuation Report

Financial year ended 31 December 2014

20.	DL	Money Market Maturity I- LIBOR
21.	WR	Money Market Maturity II Liquidity
22.	XK	Asia/Pacific excluding Japan and Korea GBP Hedge
23.	XW	Money Market Maturity II Retained Run Off
24.	WV	LDI LIBOR Fund
25.	TK	Client Specific Unitised
26.	TLBA	Client Specific Unitised

- 2.(3) All policies have an embedded annuity option which gives the policyholder the right but not obligation to purchase an annuity for retiring underlying members at prevailing market rates. In addition, the money market additional voluntary contribution contract (MMAVC) has an embedded guarantee on the capital value of the investments made.
 - 2.(4) The MMAVC contract included at outset, guaranteed annuity rates for members retiring at normal retirement date within the first ten years of the scheme. No members are now entitled to this guarantee.
 - 2.(5) There are certain Overseas Life Assurance Benefit (OLAB) contracts where the benefits are paid in a non-Sterling currency, either Euro or US dollars.
 - 2.(6) There have been no changes to the product brand name.
 - 2.(7) None of the contracts contain a with-profits option.
 - 2.(8) The terms and conditions of the policy may be changed with four months' notice to policyholders.
3. Discretionary charges and benefits
 - 3.(1) The company does not have the option of applying market value reductions
 - 3.(2) The company does not write non-linked protection business
 - 3.(3) The company does not write non-profit deposit administration benefits
 - 3.(4) The company does not use benefit charges
 - 3.(5) The contracts are not with-profits
 - 3.(6) The Company recovers its costs, other than flat charges for smaller schemes with less than £25m invested or for ancillary services, through the fund management fee which accrues daily as a proportion of the assets of the fund. The standard fees for internal linked funds vary from 0.05% to 0.75% p.a. for active funds and from 0.03% to 0.55% p.a. for index tracking funds; the fees also vary within these ranges depending upon the amount invested. There are extra fixed fees for other related services including asset allocation, blended prices and scheme benchmarking.

Returns under the Accounts and Statements Rules (IPRU (INS))

Appendix 9.4 (Rule 9.31):

Legal and General Assurance (Pensions Management) Ltd

Abstract of the Valuation Report

Financial year ended 31 December 2014

- 3.(7) The Company maintains a spread between the bid and offer prices of units. This covers the Company's dealing costs, including stamp duty. As at the investigation date the default bid/offer spreads vary from nil to a maximum of 6.55% on a property fund (of which a significant proportion is for stamp duty levied on purchases of direct property).
- 3.(8) Where policyholder investments match policyholder disinvestments from the internal fund, the saving in external dealing costs are routinely passed to the trading policyholders.
- 3.(9) (i) Internal linked funds:
For more recent internal linked funds custodial costs are paid by the Company and recouped as part of the fund management fee. A few of the older internal linked funds have custodial costs deducted directly from the fund. Whilst it is possible for the fund management fee to be deducted as part of the unit price (these funds have 'charges' after the fund name), the majority of policyholders pay fund management fees quarterly in arrears.

There are three methods used in the creation and cancellation of units for the internal linked funds. The methods are daily midday, daily close, and weekly pricing series. For all pricing series the Company determines the bid and offer price around the mid value on a basis which reflects the typical spread for dealing in the market, including where applicable, local tax and stamp duties and brokerage. The timing of the valuation of the pricing series are described below, however all units are created or cancelled as at the valuation point in time. For all pricing series the Company does not retain a "box" of units.

A weekly pricing series is available to clients. On the day before a dealing day all existing investments of each fund are valued at the closing mid- market price (or last traded price in some markets) by reference to at least one recognised pricing service. Where a bid/offer spread exists and the fund is due to receive an inflow, units are typically created at the offer price; conversely if the fund is due to pay an outflow then units are cancelled typically at the bid price. Dealing days occur on the first business day of each calendar month, with the balance spread over the rest of the month.

Returns under the Accounts and Statements Rules (IPRU (INS))

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A daily close of business single swinging price series is also available to clients for a sub-set of the weekly funds. On the valuation day (normally weekly), all funds are valued at bid, mid and offer. Prices are typically struck for each subsequent business day based upon the latest available weekly valuation adjusted by the total return on the relevant index to allow for movements, including currency if applicable, between the weekly valuation and the pricing day for the fund. If the fund is due to receive a net inflow then new units are created at the offer price; if the fund is due to pay a net outflow then units are cancelled at the bid price. When the net flow in either direction is small the mid-price is used for both the creation and cancellation of units.

A midday single swinging pricing series is also available to clients for a sub-set of the daily funds. The midday pricing series is typically valued using the last night's close daily unit price rolled forward by the relevant index (or close proxy) where available and currency if applicable.

The MMAVC contract is an internal linked fund which has a single unit price i.e. it does not have a bid/offer spread. The fund management fee is currently 0.125% p.a. of the total value of the fund.

Liability Driven Investments (LDI) and Client Specific Unitised Funds (CSUF's) are valued using the unit prices as described above for the underlying funds together with the value of any directly held assets and swap(s). OTC swaps are valued using external vendor valuations, or curves for use within internal model valuations, and verified against the counterparty valuation.

(ii) External linked funds:

Where the Company on behalf of its policyholders' purchases shares in the LGIM (Ireland) Risk Management Solutions PLC Qualifying Investor Scheme, the Company charges a fund management fee which includes the cost of providing the relevant sub-fund of the Qualifying Investor Scheme. All shares created allow for the associated costs of underlying asset purchases, and where shares are cancelled the cost of sale of underlying assets is allowed for (in both cases subject to certain minimums). In the underlying vehicle there is no timing difference between valuation and share transactions. The Company does not retain for itself any discount, commission or other allowance on purchase or sale of units.

Where the Company on behalf of its policyholders' purchases shares in the LGIM Commodity Composite Source ETF, a sub-fund of Source Markets plc, a proportion of the on-fund fee is paid to a related company Legal & General Investment Management (LGIM). All shares created allow for the associated costs of underlying asset purchases, and where shares are cancelled the cost of sale of underlying assets is also allowed for. In the underlying vehicle there is no timing difference between valuation and share transactions. Neither the Company nor LGIM receive any allowances from the UCITS compliant fund on purchase or sale of shares.

Returns under the Accounts and Statements Rules (IPRU (INS))

Appendix 9.4 (Rule 9.31):

Legal and General Assurance (Pensions Management) Ltd

Abstract of the Valuation Report

Financial year ended 31 December 2014

Where the Company on behalf of its policyholders' purchases shares in LGIM Liquidity Funds PLC UCITS scheme, the Company charges a fund management fee which includes the cost of providing the relevant sub-fund of the UCITS scheme. In the underlying vehicle there is no impact from timing differences between valuation and share transactions. The Company does not receive any allowances from the UCITS compliant fund on purchase or sale of shares.

Where the Company on behalf of its policyholders' purchases shares in sub-funds of the Legal & General Investment Management Funds ICVC ('LGIM OEIC') scheme, the Company charges a fund management fee which includes the cost of providing the relevant sub-fund of the OEIC scheme. All shares created allow for the associated costs of underlying asset purchases, and where shares are cancelled the cost of sale of underlying assets is allowed for (in both cases subject to certain minimums). In the underlying vehicle there is no timing difference between the valuation and the actual share transactions. The Company does not receive any allowances from the UCITS compliant sub-fund on purchase or sale of shares.

Where the Company on behalf of its policyholders' purchases shares in sub-funds of the Legal & General UCITS compliant SICAV ('L&G SICAV') scheme, the Company charges a fund management fee which includes the cost of providing the relevant sub-fund of the SICAV scheme. All shares created allow for the associated costs of underlying asset purchases, and where shares are cancelled the cost of sale of underlying assets is allowed for (in both cases subject to certain minimums). In the underlying vehicle there is no timing difference between the valuation and the actual share transactions. The Company does not receive any allowances from the UCITS compliant sub-fund on purchase or sale of shares.

Where the Company on behalf of its policyholders' purchases units in other linked funds, the Company charges a fee which includes the cost of providing the relevant sub-fund. All units created allow for the associated costs of underlying asset purchases, and where shares are cancelled the cost of sale of underlying assets is allowed for (in both cases subject to certain minimums). The Company does not receive any allowances from the manager of the linked funds on purchase or sale of units.

- 3.(10) No general method is required to provide for UK tax on realised or unrealised capital gains although there are a small number exceptions; namely territories in which the Company invests may levy a tax on capital gains at a local level and specific assets held by PMC's managed property fund, for which gains are charged to the relevant unit linked funds. If deemed appropriate by the Company an adjustment to income for the recovery of overseas withholding tax is allowed for in the unit price. In addition transactional taxes are included as appropriate in the spread on the unit linked funds.
3. (11) Double charging for expenses is eliminated in unit cross holdings.

Returns under the Accounts and Statements Rules (IPRU (INS))

Appendix 9.4 (Rule 9.31):

Legal and General Assurance (Pensions Management) Ltd

Abstract of the Valuation Report

Financial year ended 31 December 2014

4. Valuation basis

4.(1) The mathematical reserve for the pooled fund contracts has been calculated using as applicable the bid or single swung price of the underlying securities, accrued interest, and units standing to the credit of the policies on the valuation date. No allowance is made for persistency, interest or mortality in the valuation of linked contracts. Unit liabilities are valued at valuation unit prices without any discounting.

The mathematical reserve for immediate annuities is obtained by discounting future payments on the basis shown below. Individual contracts are valued with explicit allowance for future expenses.

- i. Due regard has been given to the duty to treat customers fairly through their contractual entitlements and the valuation is in line with those expectations. No increases in policy charges are anticipated in deriving the mathematical reserves. Policyholders are not eligible to participate in any established surplus.
- ii. The net premium method of valuation is not used.
- iii. The valuation methods do not give rise to negative values and do not allow any contract to be treated as an asset.
- iv. The contracts are non-profit and so no reserve has been made for future bonuses.
- v. No provision has been made for any liability to taxation on unrealised capital gains.
- vi. The potential cost associated with the timing difference between quoting and purchase of immediate annuities has been reviewed and no reserve has been deemed necessary.

4.(2) The annual rate of interest used to value annuities in the course of payment is 3.03% (3.96% 2013).

4.(3) The yield has been adjusted for valuation margins and allowance for default risk.

4.(4) The mortality tables used are set out below:

75.6% of PCMA00 for males and 83.5% of PCFA00 for females for ages below 90. For ages above 90 bespoke mortality rates are used. Allowance for future improvement, commencing 01.01.2010, as per an adjusted version of CMIB mortality improvement model, CMI's 2013; with the following parameters:
Males: Long term rate of 2% p.a. up to age 85, tapering to 0% at 120.
Females: Long term rate of 1.5% p.a. up to age 85, tapering to 0% at 120.

Returns under the Accounts and Statements Rules (IPRU (INS))

Appendix 9.4 (Rule 9.31):

Legal and General Assurance (Pensions Management) Ltd

Abstract of the Valuation Report

Financial year ended 31 December 2014

The expectations of life for annuities in the course of payment are:

Age	65	75
Male	24.1	14.8
Female	25.3	15.9

- i. The equivalent tables for 2013 were:
75.6% of PCMA00 for males and 83.5% of PCFA00 for females for ages below 90. For ages above 90 bespoke mortality rates are used. Allowance for future improvement, commencing 01.01.2010, as per CMI's 2012 mortality improvement model; with the following parameters:
Males: Long term rate of 2% p.a. up to age 85, tapering to 0% at 120.
Females: Long term rate of 1.5% p.a. up to age 85, tapering to 0% at 120.
- ii. No allowance has been made for changes in the incidence of disease or developments in medical science other than for reductions in rates of mortality of annuitants as described above.

4.(5) Not relevant

4.(6) The valuation liability for immediate annuity contracts includes a per policy expense allowance of £20.00 p.a. increasing from 31.12.2014 at 3.5% p.a. The basis used in 2013 was also £20.00 with increases of 3.5% p.a. from 31.12.2013. The Company itself does not incur expenses as part of the payment of annuities.

4.(7) Not relevant

4.(8) Not relevant

4.(9) Not relevant

4.(10) Not relevant

4.(11) Derivative assets are held by the Company only for the purposes set out in the FCA rules and guidance. In all cases the value of the derivatives matches the value of the assets held. No additional reserve has therefore been deemed necessary in respect of derivative holdings. When valuing derivatives as part of the unit pricing mechanism, warrants, futures and listed options are taken at market value, and currency forwards are valued using current exchange rates.

4.(12) The changes to INSPRU rules at 31 December 2006 have not resulted in any impact on the mathematical reserves.

Returns under the Accounts and Statements Rules (IPRU (INS))

Appendix 9.4 (Rule 9.31):

Legal and General Assurance (Pensions Management) Ltd

Abstract of the Valuation Report

Financial year ended 31 December 2014

5. Options and guarantees
 5. (1) Given the size of the MMAVC contract the value of the capital guarantee falls below the de-minimis threshold.
6. Expenses
 - 6.(1) The valuation basis for linked contracts does not require an explicit reserve for expenses since the amount required to meet expenses arising in future years will implicitly be covered by charges on the linked funds. The amount of fees expected in 2015, according to the 2015 Operating Plan, is in excess of the expected expenses. The basis of calculation of the requirement in respect of the expenses of continuing to transact new business during the 12 months following the valuation date is that used for the Company's Operating Plan and the budgets of the relevant cost centres. No reserve is required.
 - 6.(2) The terms under which the new business is written are such that there is no new business strain and as such no need to hold any such reserve.
 - 6.(3) If the Company were to cease transacting new business 12 months after the valuation date then any closure costs would be borne by the Company. No provision is necessary for such costs. However the Company's capital and reserves have been reviewed as to their adequacy to cover costs arising from cessation of new business. The administration of the in-force portfolio is likely, in practice, to be transferred to a third party provider. The costs of the new arrangements would be reflected in revised fund management fees for the linked funds after due notice had been given. The cost of negotiating an arrangement with a third party, and of any expenses which could not be charged to the linked funds in the notification period, is not significant in the context of the excess of maintained capital and reserves over the required margin of solvency. It would also be less than any reasonable estimate of the value of future profits from the in-force business that would exist on cessation of new business.
 - 6.(4) Projections of the fund, incorporating expected future expense levels, investment returns and fee income reflecting current experience and recent trends indicate that expenses will continue to be covered by fee income. These projections are performed using a model office and testing of the model office indicated that expense margins were in surplus even under adverse scenarios.
7. Apart from the immediate annuities, all of the contracts are unit linked and are run without a "box" and as a consequence there is no mismatch of reserves.
8. There are no "other special reserves"
9. Reinsurance ceded
 - 9.(1) No reinsurance is ceded on a facultative basis.
 - 9.(2) Reinsurance treaties
 - A Immediate annuities
 - i. The liability in respect of immediate annuities is wholly reinsured under a treaty with Legal and General Assurance Society Limited ("Society").
 - ii. The reinsurance is on original terms.

Returns under the Accounts and Statements Rules (IPRU (INS))
Appendix 9.4 (Rule 9.31):
Legal and General Assurance (Pensions Management) Ltd
Abstract of the Valuation Report
Financial year ended 31 December 2014

- iii. No premiums were payable by the Company under the treaty during the report period and no new annuities written.
- iv. There is no deposit back arrangement.
- v. The treaty is not closed to new business.
- vi. The value of the mathematical reserves under this treaty is £4.1m.
- vii. Society is authorised to carry on insurance business in the United Kingdom.
- viii. Society is a connected insurer.
- ix. The Company has no liability to refund any amounts of reinsurance commission in the event of surrender of the contracts.

B Index Funds

- i. The liability of the Index Funds in respect of exposure to the price of Legal & General Group Plc shares is wholly reinsured under a treaty with Swiss Re Europe S.A (SRE) ("Swiss Re") a company based in Luxembourg.
- ii. The reinsurance is on original terms. The Company has a charge over the assets held by Swiss Re to match its liability.
- iii. Premiums payable by the Company under the treaty totalled £12.1m for the reported period.
- iv. The Company, in total, ceded investments of £315 million under the treaty.
- v. There is no deposit back arrangement.
- vi. The treaty is not closed to new business.
- vii. Swiss Re is authorised to carry on insurance business in the United Kingdom under a branch structure and the assets and custodian are based in London and operate under English law.
- viii. Swiss Re is not a connected insurer.
- ix. The assets held by Swiss Re are subject to a floating charge.
- x. The Company has no liability to refund any amounts of reinsurance commission in the event of surrender of the contracts.

10. The policies are all non-profit.

Returns under the Accounts and Statements Rules
Certificate required by rule 9.34
Legal and General Assurance (Pensions Management) Limited
Financial year ended 31 December 2014

We certify that:

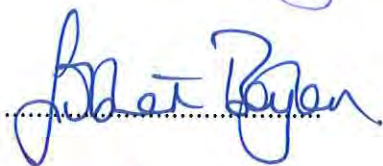
- a) the return has been properly prepared in accordance with the requirements in IPRU(INS), GENPRU and INSPRU; and
- b) that we satisfied that:
 - i. throughout the financial year, the insurer has complied in all material respects with the requirements in SYSC as well as the provisions of IPRU(INS), GENPRU and INSPRU;
 - ii. from the beginning of financial year in question until 18 June 2014, the insurer has complied in all material respects with the requirements of PRIN;
 - iii. from 19 June 2014 until the end of the financial year in question, the insurer has complied in all material respects with the Fundamental Rules; and
 - iv. it is reasonable to believe that the insurer has continued so to comply subsequently with the requirements of SYSC, the Fundamental Rules and the provisions of IPRU(INS), GENPRU and INSPRU and will continue so to comply in future;
- c) in our opinion, premiums for contracts entered into during the financial year and the resulting income earned are sufficient, under reasonable actuarial methods and assumptions, and taking into account the other financial resources of the insurer that are available for the purpose, to enable the insurer to meet its obligations in respect of those contracts and, in particular, to establish adequate mathematical reserves;
- d) the sum of the mathematical reserves and the deposits received from reinsurers as shown in Form 14, constitute proper provision at the end of the financial year in question for the long-term insurance business liabilities (including all liabilities arising from deposit back arrangements, but excluding other liabilities which had fallen due before the end of the financial year) including any increase in those liabilities arising from a distribution of surplus as a result of an actuarial investigation as at that date into the financial condition of the long-term insurance business;
- e) it is the directors' responsibility for the maintenance and integrity of this PRA return on the website. The uncertainty regarding legal requirements is compounded as information published on the internet is accessible in many countries with different legal requirements relating to the preparation and dissemination of insurance annual returns.

Returns under the Accounts and Statements Rules
Certificate required by rule 9.34
Legal and General Assurance (Pensions Management) Limited
Financial year ended 31 December 2014


- f) we have, in preparing the return, taken and paid due regard to advice in preparing the return from every actuary appointed by the insurer to perform the actuarial function in accordance with SUP 4.3.13R.



S Niebergall, Director



S Boylan, Director



J C Browne, Director



R A Hall, Company Secretary

19 March 2015

**Auditors' Report: Regulatory Return for a life insurance company
Legal and General Assurance (Pensions Management) Limited
Financial year ended 31 December 2014
Independent auditors' report to the directors pursuant to rule 9.35 of the
Interim Prudential Sourcebook for Insurers**

We have audited the following documents prepared by the insurer pursuant to the Accounts and Statements Rules set out in Part I and Part IV of Chapter 9 to IPRU(INS) the Interim Prudential Sourcebook for Insurers, GENPRU the General Prudential Sourcebook and INSPRU the Prudential Sourcebook for Insurers ('the Rules') made by the Prudential Regulation Authority under section 137G of the Financial Services and Markets Act 2000:

- Forms 2, 3, 13 to 16, 40 to 45, 48, 49, 58 and 60, (including the supplementary notes) on pages 1 to 49 ('the Forms');
- the statement required by IPRU(INS) rule 9.29 on page 50 ('the statement'); and
- the valuation report required by IPRU(INS) rule 9.31(a) on pages 52 to 62 ('the valuation report');

We are not required to audit and do not express an opinion on:

- Forms 50 to 55 (including the supplementary notes) on pages 29 to 36;
- the statements required by IPRU(INS) rules 9.30 on page 51; and
- the certificate required by IPRU(INS) rule 9.34(1) on page 63 to 64.

Respective responsibilities of the insurer and its auditors

The insurer is responsible for the preparation of an annual return (including the Forms, the statement and the valuation report) under the provisions of the Rules. Under IPRU(INS) rule 9.11 the Forms, the statement and the valuation report are required to be prepared in the manner specified by the Rules and to state fairly the information provided on the basis required by the Rules. The methods and assumptions determined by the insurer and used to perform the actuarial investigation as set out in the valuation report are required to reflect appropriately the requirements of INSPRU 1.2.

It is our responsibility to form an independent opinion as to whether the Forms, the statement and the valuation report meet these requirements, and to report our opinion to you. We also report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Forms, the statement and the valuation report are not in agreement with the accounting records and returns; or
- we have not received all the information we require for our audit.

This report has been prepared for the directors of the insurer to comply with their obligations under IPRU(INS) rule 9.35 and for no other purpose. We do not, in providing this report, accept or assume responsibility for any other purpose save where expressly agreed by our prior consent in writing.

**Auditors' Report: Regulatory Return for a life insurance company
Legal and General Assurance (Pensions Management) Limited
Financial year ended 31 December 2014
Independent auditors' report to the directors pursuant to rule 9.35 of the
Interim Prudential Sourcebook for Insurers
Basis of opinion**

We conducted our work in accordance with Practice Note 20 'The audit of insurers in the United Kingdom (Revised)' issued by the Auditing Practices Board. Our work included examination, on a test basis, of evidence relevant to the amounts and disclosures in the Forms, the statement and the valuation report. The evidence included that previously obtained by us relating to the audit of the financial statements of the insurer for the financial year. It also included an assessment of the significant estimates and judgements made by the insurer in the preparation of the Forms, the statement and the valuation report.

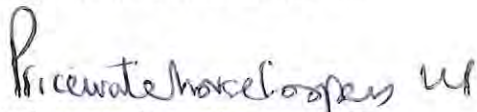
We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Forms, the statement and the valuation report are free from material misstatement, whether caused by fraud or other irregularity or error and comply with IPRU(INS) rule 9.11.

In accordance with IPRU(INS) rule 9.35(1A), to the extent that any document, Form, statement, analysis or report to be examined under IPRU(INS) rule 9.35(1) contains amounts or information abstracted from the actuarial investigation performed pursuant to IPRU(INS) rule 9.4, we have obtained and paid due regard to advice from a suitably qualified actuary who is independent of the insurer.

Opinion

In our opinion:

- (i) the Forms, the statement and the valuation report fairly state the information provided on the basis required by the Rules and have been properly prepared in accordance with the provisions of those Rules; and
- (ii) the methods and assumptions determined by the insurer and used to perform the actuarial investigation as set out in the valuation report appropriately reflect the requirements of INSPRU 1.2.


PricewaterhouseCoopers LLP
Chartered Accountants

19 March 2015