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## **Report of Independent Auditors**

To the Retirement Plan Committee of  
L Brands, Inc. and  
Plan Administrator of the L Brands, Inc.  
401(k) Savings and Retirement Plan

We have audited the accompanying financial statements of L Brands, Inc. 401(k) Savings and Retirement Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2017 and 2016, and the related statements of changes in net assets available for benefits for the years ended December 31, 2017 and 2016, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2017 and 2016, and the changes



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in its net assets available for benefits for the years then ended, in conformity with U.S. generally accepted accounting principles.

### **Supplemental Schedule**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2017, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Ernst & Young LLP*

June 15, 2018

**FINANCIAL STATEMENTS AND SUPPLEMENTAL  
SCHEDULE**

**L Brands, Inc. 401(k) Savings and Retirement Plan  
Years Ended December 31, 2017 and 2016  
With Report of Independent Auditor**

L Brands, Inc. 401(k) Savings and Retirement Plan

Financial Statements and Supplemental Schedule

Years Ended December 31, 2017 and 2016

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*Ernst & Young LLP*

June 15, 2018

L Brands, Inc. 401(k) Savings and Retirement Plan

Statements of Net Assets Available for Benefits

	December 31,	
	2017	2016
<b>Assets</b>		
Investments at fair market value	\$1,318,849,269	\$1,138,694,053
Investments at contract value	144,365,566	145,376,673
Total investments	<u>1,463,214,835</u>	<u>1,284,070,726</u>
Receivable for contributions from employer	39,916,736	41,647,268
Cash	86,869	92,019
Due from brokers	1,434,369	1,603,627
Accrued other earnings	97,751	299,111
Accrued interest and dividends	5,674	2,215
Total assets	<u>1,504,756,234</u>	<u>1,327,714,966</u>
<b>Liabilities</b>		
Due to brokers	505,186	1,041,663
Administrative expenses payable	464,358	427,679
Total liabilities	<u>969,544</u>	<u>1,469,342</u>
Net assets available for benefits	<u>\$1,503,786,690</u>	<u>\$1,326,245,624</u>

*See accompanying notes.*

# L Brands, Inc. 401(k) Savings and Retirement Plan

## Statements of Changes in Net Assets Available for Benefits

	<b>Years Ended December 31,</b>	
	<b>2017</b>	<b>2016</b>
Additions:		
Investment income:		
Net appreciation/(depreciation) in fair value of investments	\$ 161,036,983	\$ (61,945,224)
Dividends and interest from investments	20,653,698	32,973,353
Total investment income/(loss)	<u>181,690,681</u>	<u>(28,971,871)</u>
Contributions:		
Employer	66,630,888	67,116,972
Participant deferrals	48,233,633	45,985,440
Participant rollovers	6,474,405	3,494,421
Total contributions	<u>121,338,926</u>	<u>116,596,833</u>
Total additions	303,029,607	87,624,962
Deductions:		
Distributions to participants	123,251,121	106,835,544
Administrative expenses	2,237,420	2,158,021
Total deductions	<u>125,488,541</u>	<u>108,993,565</u>
Net increase/(decrease)	177,541,066	(21,368,603)
Net assets available for benefits:		
Beginning of year	1,326,245,624	1,347,614,227
End of year	<u>\$1,503,786,690</u>	<u>\$1,326,245,624</u>

*See accompanying notes.*



# L Brands, Inc. 401(k) Savings and Retirement Plan

## Notes to Financial Statements

Years Ended December 31, 2017 and 2016

### 1. Description of the Plan

#### General

The L Brands, Inc. 401(k) Savings and Retirement Plan (the “Plan”) is a defined contribution plan covering eligible employees of L Brands, Inc. and its affiliates (the “Employer”). The following description of the Plan provides only general information. Participants should refer to the Plan document (as amended and restated effective as of October 1, 2011) for a more complete description of the Plan’s provisions. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended.

#### Eligibility

Employees become eligible to participate in the Plan upon becoming at least 21 years of age and either (1) a full-time employee, or (2) a part-time employee having completed a year of employment with 1,000 or more hours of service. All employees eligible to participate in the Plan must complete a year of employment with 1,000 or more hours of service to become eligible for Employer contributions.

#### Contributions

##### *Employer contributions*

The Employer provides a matching contribution of 100% of each eligible participant’s voluntary contributions up to 4% of annual eligible compensation.

The Employer also provides an annual contribution equal to a percentage of annual eligible compensation to all eligible participants regardless of the employees’ elections (“non-elective contributions”) who were one of the following:

- Employed on the last day of the Plan year, and had completed 1,000 hours of service during the Plan year
- Involuntarily terminated without cause during the Plan year
- Voluntarily terminated during the Plan year, and as of the last day of the Plan year were age 55 or above and had a minimum of seven years of vested service

# L Brands, Inc. 401(k) Savings and Retirement Plan

## Notes to Financial Statements (continued)

### 1. Description of the Plan (continued)

Annual contributions are determined based on each participant's annual eligible compensation and accumulated years of vested service as follows:

<b>Years of Vested Service</b>	<b>Earnings up to Social Security Wage Base</b>	<b>Earnings above Social Security Wage Base</b>
Less than 5 years	3%	6%
5 or more years	4%	8%

Annual eligible compensation used to determine Employer contributions is based on each participant's qualified plan compensation less any compensation received prior to initially becoming eligible for Employer contributions, and is limited to the maximum amount permitted under Section 401(a)(17) of the Internal Revenue Code (the "Code"). The annual compensation limit was \$270,000 and \$265,000 for the years ended December 31, 2017 and 2016, respectively.

#### *Participant voluntary contributions*

Participants may elect to make voluntary tax-deferred contributions up to 75% of annual eligible compensation up to the maximum contribution permitted under Section 402(g) of the Code adjusted annually (\$18,000 for the years ended December 31, 2017 and 2016). This voluntary tax-deferred contribution may be limited by Section 401(k) of the Code.

Plan participants who will be age 50 or greater at the end of the Plan year, and whose contributions to the Plan reach the maximum amount allowed by the Plan are eligible to make voluntary "catch-up" contributions to the Plan. Catch-up contributions are limited to the maximum permitted under Section 414(v) of the Code adjusted annually (\$6,000 for the years ended December 31, 2017 and 2016). Catch-up contributions are not eligible for Employer matching contributions.

## L Brands, Inc. 401(k) Savings and Retirement Plan

### Notes to Financial Statements (continued)

#### 1. Description of the Plan (continued)

##### Investment Options

Both the Employer and participant contributions are directed solely through each participant's election into investment alternatives offered by the Plan. At any time, participants may also elect to reallocate existing account balances between investment alternatives or to change their investment elections for future contributions. The Plan Retirement Committee periodically reviews and may make changes to the investment choices available. The following changes were made during 2017:

Fund	Action	Date
Nuveen Winslow Large Cap Growth	Fund Removed	03/24/2017
PRIMECAP Odyssey Growth	New Fund Added	03/24/2017
Nuveen Winslow Large Cap Growth	Fund Removed	10/18/2017
Hartford Mid Cap Holdings Fund	Fund Removed	10/18/2017
Prudential Jennison Small Company	Fund Removed	10/18/2017
Virtus Ceredex Mid Cap Value	Fund Removed	10/18/2017
Virtus Ceredex Small Cap Value	Fund Removed	10/18/2017
Vanguard Total Bond Market Index	New Fund Added	10/18/2017
Vanguard Mid Cap Index	New Fund Added	10/18/2017
Vanguard Small Cap Index	New Fund Added	10/18/2017
Vanguard Total International Stock Index	New Fund Added	10/18/2017
T. Rowe Price Retirement Series	Investment moved from Mutual Funds to Collective Trusts	10/18/2017

The Plan's investment alternatives as of December 31, 2017 include mutual funds, collective trust funds, a pooled account of the Employer's common stock, a pooled account of synthetic investment contracts, and self-directed brokerage accounts.

If a participant makes no investment fund election, all contributions made into such participant's account are invested into the Plan's qualified default investment alternative ("QDIA"). The Plan's QDIA is the age-appropriate T. Rowe Price Retirement target date fund, selected based on the participant's date of birth.

## L Brands, Inc. 401(k) Savings and Retirement Plan

### Notes to Financial Statements (continued)

#### 1. Description of the Plan (continued)

##### Participant Accounts

Each participant's account is credited with the participant's and Employer's contributions as well as allocated investment earnings. The benefit to which a participant is entitled is equal to the vested balance in the participant's account.

##### Vesting

Participants are fully and immediately vested in all voluntary, rollover, and Employer matching contributions. Participants become vested in the Employer non-elective contributions during their first six years of vested service as follows:

<u>Years of Vested Service</u>	<u>Percentage</u>
Less than 2 years	0%
2 years	20%
3 years	40%
4 years	60%
5 years	80%
6 or more years	100%

Employees hired on or after January 1, 2010, are credited with a year of vested service for each Plan year in which they have at least 1,000 hours of service. Employees hired prior to January 1, 2010, are credited with a year of vested service for each Plan year in which they have at least 500 hours of service.

##### Payment of Benefits

The full value of a participant's account becomes payable upon retirement, disability, or death. Upon termination of employment for any other reason, each participant's account, to the extent vested, becomes payable. Terminated participants whose vested account balances are greater than \$1,000 are permitted to keep their accounts invested in the Plan.

Terminated participants age 70½ or greater are required to take minimum annual distributions, in accordance with Section 401(a)(9) of the Code. Minimum annual distributions are also required for participants who are 5% owners (as defined in Section 416 of the Code).

## **L Brands, Inc. 401(k) Savings and Retirement Plan**

### **Notes to Financial Statements (continued)**

#### **1. Description of the Plan (continued)**

Qualifying, actively-employed participants may elect to withdraw all or a portion of their vested account balances through specified in-service distribution alternatives.

Participants whose benefit payments include amounts invested in the pooled account of Employer stock may elect to receive such amounts in cash or in whole shares of Employer securities and cash for any fractional shares.

Participants may elect to receive their benefit payments from the Plan or have such benefits paid directly to an eligible retirement plan.

#### **Amounts Allocated to Participants Withdrawn From the Plan**

Amounts allocated to participants withdrawn from the Plan but not yet paid were \$354,019 and \$160,453 as of December 31, 2017 and December 31, 2016, respectively.

#### **Forfeitures**

Forfeitures are used to reduce the Employer's contributions to the Plan. Forfeitures were \$3,547,961 and \$2,625,628 for the years ended December 31, 2017 and 2016, respectively. There were no unused forfeitures at December 31, 2017 or 2016.

#### **Administrative Expenses**

Plan participants pay administrative expenses of the Plan through fees deducted directly from participant accounts on a per-participant basis. Revenue sharing arrangements between the Plan's investment funds and the Plan's trustee are not used to pay the Plan's administrative expenses, but rather are credited into the accounts of the participants invested in the respective investment funds which generated such amounts. Certain expenses of maintaining the Plan are paid directly by the Employer and are excluded from these financial statements.

Revenue sharing and sub-transfer fees received by the Plan from its investment funds are credited directly into the Plan's trust accounts and are reported in the Plan's financial statements within dividends and interest from investments.

## L Brands, Inc. 401(k) Savings and Retirement Plan

### Notes to Financial Statements (continued)

#### **2. Summary of Significant Accounting Policies**

##### **Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting, as required by Accounting Standards Codification (“ASC”) 962, Plan Accounting – Defined Contribution Pension Plans, including investment valuation and income recognition. The Plan year is January 1 through December 31.

##### **Use of Estimates**

The Plan prepares its financial statements in conformity with U.S. generally accepted accounting principles (“GAAP”), which require management to make estimates and assumptions that affect the reported amounts of net assets available for benefits at the date of the financial statements and the changes in net assets available for benefits during the reporting period and, when applicable, disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from these estimates.

##### **Risks**

The Plan provides for the various investment options as described in Notes 1, 3 and 4. Any investment is exposed to various risks, such as interest rate, market, and credit risks. These risks could have a material effect on participants’ account balances and the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

## L Brands, Inc. 401(k) Savings and Retirement Plan

### Notes to Financial Statements (continued)

#### **2. Summary of Significant Accounting Policies (continued)**

##### **Investment Valuation and Income Recognition**

Investments (except for fully benefit-responsive investment contracts, which are reported at contract value) are reported at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

The Plan's synthetic fully benefit-responsive investment contract is reported at contract value. Contract value represents contributions made under the contract, plus interest at the contract rate, less withdrawals and funds used to pay administration expenses.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date.

##### **Net Appreciation (Depreciation) in Fair Value of Investments**

Net realized and unrealized appreciation (depreciation) is recorded in the accompanying statements of changes in net assets available for benefits as net appreciation (depreciation) in fair value of investments.

##### **Benefit Payments**

Benefits are recorded when paid.

#### **3. Fair Value Measurements**

The authoritative guidance included in ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principle or most advantageous market for the asset or liability in an orderly transaction between market participants. This authoritative guidance further establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

## L Brands, Inc. 401(k) Savings and Retirement Plan

### Notes to Financial Statements (continued)

#### 3. Fair Value Measurements (continued)

- Level 1 – Quoted market prices in active markets for identical assets or liabilities.
- Level 2 – Observable inputs other than quoted market prices included in Level 1, such as quoted prices of similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies, and similar techniques that use significant observable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no significant changes in the methodologies used at December 31, 2017 and 2016.

*Mutual funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

*Common collective trusts ("CCTs"):* are valued utilizing the respective net asset values as reported by such trusts, which are reported at fair value. The fair value has been determined by the trustee sponsoring the CCT by dividing the trust's net assets at fair value by its units outstanding at the valuation dates. There are no restrictions as to the redemption of these investments, nor does the Plan have any contractual obligations to further invest in any of these CCTs.

*Common stocks:* Valued at the closing price reported on the active market on which the individual securities are traded.

*Self-directed brokerage accounts:* Accounts primarily consist of mutual funds and common stocks that are valued on the basis of readily determinable market prices.



# L Brands, Inc. 401(k) Savings and Retirement Plan

## Notes to Financial Statements (continued)

### 3. Fair Value Measurements (continued)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable values or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2017 and 2016. The Plan's investments are held by Wells Fargo Bank, N.A., trustee of the Plan.

Assets at Fair Value as of December 31, 2017				
	Level 1	Level 2	Level 3	Total
Employer common stocks	\$ 219,729,652	\$ —	\$ —	\$ 219,729,652
Mutual funds	607,556,459	—	—	607,556,459
Self-directed accounts	17,202,094	—	—	17,202,094
Total assets at fair value	\$ 844,488,205	\$ —	\$ —	\$ 844,488,205
Common collective trust (a)				474,361,064
Investments at fair value				<u>\$ 1,318,849,269</u>

- (a) In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statement of net assets available for benefits.

Assets at Fair Value as of December 31, 2016				
	Level 1	Level 2	Level 3	Total
Employer common stocks	\$ 246,905,531	\$ —	\$ —	\$ 246,905,531
Mutual funds	878,164,758	—	—	878,164,758
Self-directed accounts	13,623,764	—	—	13,623,764
Investments at fair value	\$ 1,138,694,053	\$ —	\$ —	<u>\$ 1,138,694,053</u>

## L Brands, Inc. 401(k) Savings and Retirement Plan

### Notes to Financial Statements (continued)

#### 4. Fully Benefit-Responsive Investment Contracts

##### Nature of Investment Contracts

The Plan, under its Stable Value Fund investment option, holds a portfolio of synthetic investment contracts (SIC). These contracts meet the fully benefit-responsive investment contract criteria and, therefore, are reported at contract value. Contract value is the relevant measure for fully benefit-responsive investment contracts because this is the amount received by participants if they were to initiate permitted transactions under the terms of the Plan.

	2017	2016
Synthetic investment contracts	<u>\$144,365,566</u>	<u>\$145,376,673</u>

In a SIC structure, the underlying investments are owned by the Plan and held in trust for Plan participants. The Plan enters into wrapper contracts from third-party insurance companies or banks that serve to substantially offset the price fluctuations in the underlying investments caused by movements in interest rates. Each wrapper contract obligates the wrapper provider to maintain the “contract value” of the underlying investments. The contract value is generally equal to the contract, less any adjustments for withdrawals (as specified in the wrapper agreement). Under the terms of the wrapper contract, the realized and unrealized gains and losses on the underlying investments are, in effect, amortized over the duration of the underlying investments through adjustments to the future contract interest crediting rate (which is the rate earned by the Plan). The wrapper contract provides that the adjustments to the interest crediting rate will not result in future interest crediting rates that are less than zero. These wrapper contracts are designed to insulate the Plan from investment losses as a result of movements in interest rates. However, they generally do not protect the Plan from loss if a wrapper provider defaults. A default by the wrapper provider on its obligation could result in a decrease in the value of the Plan’s assets.

In general, if the contract value of the wrapper agreement exceeds the market value of the underlying investments, including accrued interest, the wrapper provider becomes obligated to pay the difference to the Plan in the event that Plan redemptions result in total contract liquidation. In the event that there are partial Plan redemptions that would otherwise cause the contract’s crediting rate to fall below 0%, the wrapper provider is obligated to contribute to the Plan an amount necessary to maintain the contract’s crediting rate at a minimum of 0%. The circumstances under which payments are made and the timing of payments between the Plan and the wrapper provider may vary based on the terms of the wrapper contract.

## **L Brands, Inc. 401(k) Savings and Retirement Plan**

### **Notes to Financial Statements (continued)**

#### **4. Fully Benefit Responsive Investment Contracts (continued)**

##### **Events That Limit the Ability of the Plan to Transact at Contract Value**

In certain circumstances, the amount withdrawn from the wrapper contract would be payable at fair value rather than at contract value. These events include Plan disqualification, termination of the Plan, a material adverse change to the provisions of the Plan, the Employer's election to withdraw from a wrapper contract in order to change to a different investment provider, or if the terms of a successor plan (in the event of the spin-off or sale of a division) do not meet the wrapper contract issuer's underwriting criteria for issuance of a clone wrapper contract. While the Employer does consider that the spin-off or sale of an affiliate is possible, they do not consider these or other events to limit the ability of the Plan to transact at contract value to be probable of occurring.

##### **Issuer-Initiated Contract Termination**

Wrapper contracts generally are evergreen contracts that contain termination provisions. Events that would permit a wrapper contract issuer to terminate a wrapper contract upon short notice include the Plan's loss of its qualified status, uncured material breaches of responsibilities, failure to make fee payments to the issuer, determination that any of the transactions are or will become prohibitive and material and adverse changes to the provisions of the Plan. If one of these events were to occur, the wrapper contract issuer could terminate the wrapper contract at the market value of the underlying investments (or in the case of a guaranteed investment contract, at the hypothetical market value based upon a contractual formula).

#### **5. Tax Status**

The Plan received a determination letter from the Internal Revenue Service ("IRS") dated September 27, 2013, stating that the Plan is qualified under Section 401(a) of the Code and, therefore, the related trust is exempt from taxation. Although the Plan has subsequently been amended, the Plan Administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax-exempt.

## L Brands, Inc. 401(k) Savings and Retirement Plan

### Notes to Financial Statements (continued)

#### **5. Tax Status (continued)**

U.S GAAP requires Plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2017, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdiction; however, there are currently no audits for any tax periods in progress.

#### **6. Plan Administration**

The Retirement Plan Committee is the Plan's administrator, having been appointed by the Board of Directors of the Employer.

#### **7. Plan Termination**

Although the Employer has not expressed any intent to do so, the Employer has the right under the Plan to discontinue its contributions at any time. L Brands, Inc. has the right at any time, by action of its Board of Directors, to terminate the Plan subject to provisions of ERISA. Upon Plan termination or partial termination, participants will become fully vested in their accounts.

#### **8. Related Party and Parties-in-Interest Transactions**

Wells Fargo Bank, N.A., trustee of the Plan, its subsidiaries, and affiliates maintain and manage certain investments of the Plan, for which the Plan is charged investment expenses. The Plan also invests in the common stock of the Employer.

# L Brands, Inc. 401(k) Savings and Retirement Plan

## Notes to Financial Statements (continued)

### 9. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500:

	<b>December 31,</b>	
	<b>2017</b>	<b>2016</b>
Net assets available for benefits per the financial statements	\$ 1,503,786,690	\$ 1,326,245,624
Amounts allocated to withdrawing participants	(354,019)	(160,453)
Net assets available for benefits per Form 5500	<u>\$ 1,503,432,671</u>	<u>\$ 1,326,085,171</u>

The following is a reconciliation of benefits paid to participants per the financial statements to Form 5500:

	<b>Year Ended December 31, 2017</b>
Benefits paid to participants per the financial statements	\$ 123,251,121
Amounts allocated to withdrawing participants:	
At December 31, 2017	354,019
At December 31, 2016	(160,453)
Benefits paid to participants per Form 5500	<u>\$ 123,444,687</u>

Amounts allocated to withdrawing participants are recorded on Form 5500 for benefit claims that have been processed and approved for payment prior to December 31 but are not yet paid as of that date.

# Supplemental Schedule

L Brands, Inc. 401(k) Savings and Retirement Plan  
EIN #31-1048997 Plan #002  
Schedule H, Line 4i  
Schedule of Assets (Held at End of Year)

December 31, 2017

(a)	(b)	(c)	(e)
	Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Current Value
*	L Brands, Inc.	Common Stock - 3,648,782 - shares	\$ 219,729,652
	T. Rowe Price Retirement 2005 Trust	Collective Fund - 123,712 - units	1,838,365
	T. Rowe Price Retirement 2010 Trust	Collective Fund - 471,462 - units	7,312,371
	T. Rowe Price Retirement 2015 Trust	Collective Fund - 160,553 - units	2,657,150
	T. Rowe Price Retirement 2020 Trust	Collective Fund - 2,895,911 - units	50,881,149
	T. Rowe Price Retirement 2025 Trust	Collective Fund - 554,242 - units	10,270,110
	T. Rowe Price Retirement 2030 Trust	Collective Fund - 5,867,969 - units	113,721,241
	T. Rowe Price Retirement 2035 Trust	Collective Fund - 960,788 - units	19,244,584
	T. Rowe Price Retirement 2040 Trust	Collective Fund - 7,132,625 - units	146,004,834
	T. Rowe Price Retirement 2045 Trust	Collective Fund - 1,408,869 - units	28,938,171
	T. Rowe Price Retirement 2050 Trust	Collective Fund - 2,732,754 - units	56,158,104
	T. Rowe Price Retirement 2055 Trust	Collective Fund - 1,550,238 - units	31,841,895
	T. Rowe Price Retirement 2060 Trust	Collective Fund - 418,043 - units	5,493,090
	Vanguard Institutional Index Fund	Mutual Fund - 800,422 - shares	194,870,668
	Dodge & Cox Stock Fund	Mutual Fund - 490,280 - shares	99,825,947
	Artisan International Investor Shares	Mutual Fund - 1,927,539 - shares	64,244,863
	PRIMECAP Odyssey Growth Fund	Mutual Fund - 2,539,245 - shares	94,586,886
	Vanguard Total Bond Market Index Fund	Mutual Fund - 122,124 - shares	1,312,833
	Metropolitan West Total Return Bond Fund	Mutual Fund - 4,391,148 - shares	46,809,638
	Vanguard Mid-Cap Index Fund	Mutual Fund - 1,720,735 - shares	72,821,485
	Vanguard Total International Stock Index Fund	Mutual Fund - 237,688 - shares	7,254,243
	Vanguard Small-Cap Index Fund	Mutual Fund - 289,886 - shares	20,518,151
*	Wells Fargo Government Money Market fund	Mutual Fund - 1,026,574 - shares	1,026,574
	<b>Other</b>		
	Self Directed Brokerage Accounts		17,202,094
	<b>Pooled Stable Value Fund</b>		
*	Wells Fargo Government Money Market fund	Mutual Fund - 4,285,171 - shares	4,285,171
	<u>Synthetic Contracts and Underlying Investments</u>		
	Voya Financial	Contract Wrapper - 2.08%	49,591
	Transamerica Premier Life Insurance Company	Contract Wrapper - 2.22%	(89,619)
	Pacific Life Insurance	Contract Wrapper - 2.27%	(106,411)
	Prudential Ins Co	Contract Wrapper - 2.36%	(286,609)
	American General Life	Contract Wrapper - 2.26%	(77,766)
	Invesco Short Term Bond Fund	Collective Fund - 26,603,066 - units	44,595,515
	Jennison Short Term Bond Fund	Collective Fund - 10,012,849 - units	11,300,480
	Voya High Quality Short Term Bond Fund	Collective Fund - 13,802,876 - units	15,193,972
	Invesco Intermediate Fund	Collective Fund - 7,083,881 - units	14,815,144
	Jennison Intermediate Fund	Collective Fund - 7,568,565 - units	14,867,976
	PIMCO Intermediate Fund	Collective Fund - 3,456,358 - units	8,875,649
	BlackRock Intermediate Fund	Collective Fund - 4,232,717 - units	7,412,549
	GSAM Core Fixed Income Fund	Collective Fund - 2,722,655 - units	4,435,353
	Invesco Core Fixed Income Fund	Collective Fund - 5,395,004 - units	9,961,162
	BlackRock Core Fixed Income Fund	Collective Fund - 2,780,729 - units	4,880,091
	Dodge & Cox Core Fixed Income Fund	Collective Fund - 2,961,201 - units	3,661,942
	PIMCO Core Fixed Income Fund	Collective Fund - 2,573,203 - units	4,876,547
			1,463,214,835

Note: Column (d) is not applicable for participant-directed investments.

\* Represents a party-in-interest

L Brands, Inc. 401(k) Savings and Retirement Plan  
EIN #31-1048997 Plan #002  
Schedule H, Line 4i  
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