BAILLIE GIFFORD

Baillie Gifford Life Limited

Solvency and Financial Condition Report (SFCR)

As at 31 March 2018

Contents

Summary

This Solvency and Financial Condition Report (SFCR) has been prepared in accordance with the requirements set out in Article 51 (1) of Directive 2009/138/EC (the Solvency II Directive). The report follows the structure prescribed in the Commission Delegated Regulation (EU) 2015/35 (Delegated Regulation) and incorporates the European Insurance and Occupational Pensions Authority's (EIOPA's) Guidelines on Reporting and Public Disclosure.

The SFCR includes full disclosure of the Minimum Capital Requirement (MCR) and Solvency Capital Requirement (SCR) and contains both qualitative and quantitative information including details of Baillie Gifford Life Limited's (the Company's; BGL's):

— Business and performance;
— System of governance;
— Risk profile;
— Valuation for Solvency Purposes; and
— Capital Management.

External Audit

In accordance with the External Audit chapter of the Prudential Regulation Authority (PRA) Rulebook, the *'relevant elements of the SFCR'* have been subject to external audit. This comprises Section D 'Valuation for Solvency Purposes' and Section E 'Capital Management' and the following Quantitative Reporting Templates (QRTs):

— S.02.01.02 – Balance Sheet
— S.12.01.02 – Life and Health SLT Technical Provisions
— S.23.01.01 – Own Funds
— S.25.01.21 – Solvency Capital Requirement – for undertakings on Standard Formula
— S.28.01.01 – Minimum Capital Requirement – Only life or only non-life insurance or reinsurance activity.

The PRA rules also state that the external auditors should read and consider all other information disclosed in the SFCR to identify material inconsistencies with the information subject to external audit. The Report of the External Independent Auditors is contained in Section G.

Business and Performance

During the year the Company has continued with its run off strategy which followed the decision to close to new business in February 2017. In order to facilitate the closure of the Company's funds, policyholders have been transferred, with their agreement, to direct ownership of shares in existing or new Baillie Gifford OEIC sub-funds. By the 31st March 2018, funds under management had fallen from £9.5 billion at 1 April 2017 to £1.4 billion with only twenty-two clients remaining. The surrender of all life policies and closure of all funds was subsequently completed by 27 April 2018. The Company submitted an application to the Financial Conduct Authority (FCA) and PRA on 9 May 2018 to request the cancellation of all of the Company's regulatory permissions. Subject to receiving a positive determination from the regulators, the proposal is that the Company will enter into a "members' voluntary liquidation" by the end of 2018.

The SFCR has been prepared on 'an other than going concern basis' as set out in Section A1.4.

System of Governance

The Company's system of governance was reviewed by the Board in November 2017 to ensure alignment with the requirements of the PRA's Senior Insurance Managers Regime (SIMR) and Solvency II. Relevant sections of the Company's governance framework documentation were amended during the reporting period to reflect the fact that the Company was now closed to new business and was no longer marketing its products to potential new clients. There have been no further material changes to the system of governance during the reporting period. The system of governance is discussed in Section B.

Risk Profile

The risk profile of the Company has been reviewed to reflect the transfer of policyholder assets and closure of unit-linked pension funds. This is discussed in Section C.

Valuation for Solvency Purposes

Section D outlines how the Company values its assets and liabilities in accordance with the requirements of Solvency II. There have been no material changes to the valuation methodology for solvency purposes during the reporting period.

Capital Management

Section E provides details of the Company's approach to capital management and its Capital Management Policy. Capital cover is calculated as the ratio of own funds to the relevant capital requirement. The Company's capital cover as at 31 March 2018 is as follows:

Solvency Capital Requirement (SCR) cover 314% (2017: 334%)

Minimum Capital Requirement (MCR) cover 698% (2017: 742%)

This level of cover exceeds the target cover of 200% of SCR set out in the Company's Capital Management Policy.

An interim dividend of £7 million for the year ending 31 March 2019 was paid to the Company's parent, Baillie Gifford & Co (BG & Co), on 24 April 2018.

Approval

The SFCR was approved by the Company's Board on 20 June 2018.

A. Business and Performance

A.1 Business

Baillie Gifford Life Limited (the Company) is a private limited company, established in 1998, incorporated and domiciled in the UK. The registered address of the Company is Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN.

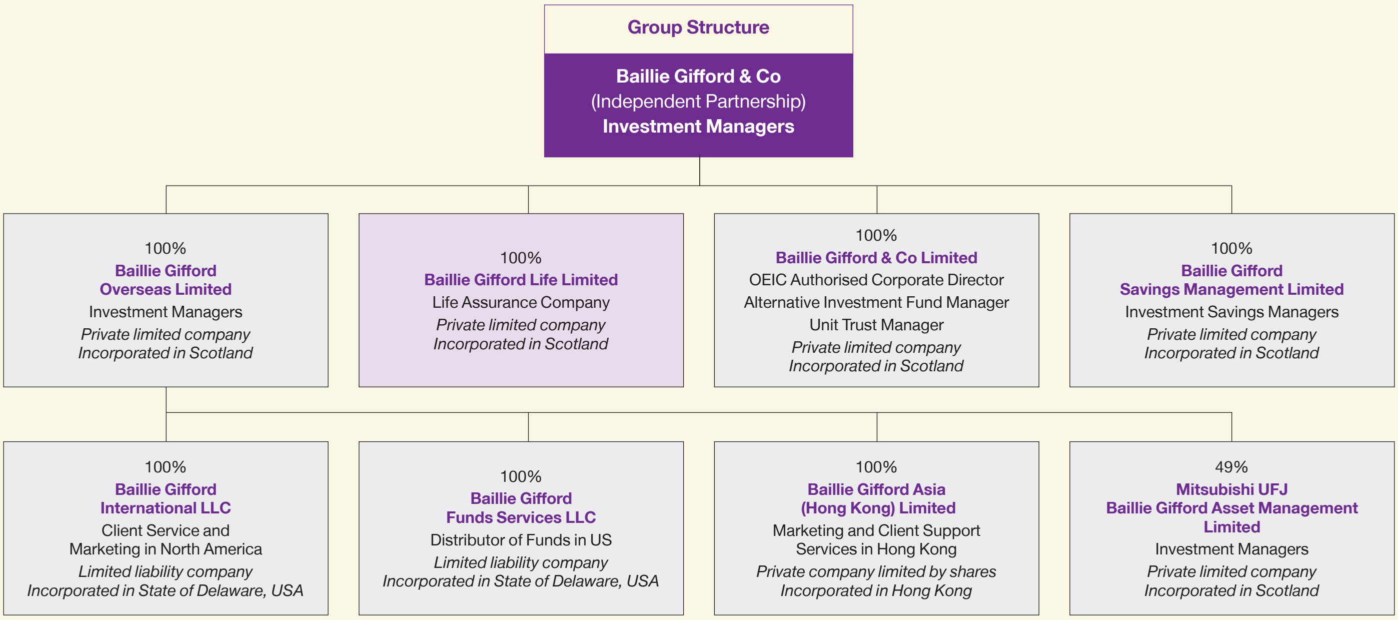
The Company is an insurance company authorised by the PRA and regulated by the FCA and the PRA. Financial supervision of the Company is undertaken by the Insurance Division of the PRA located at 20 Moorgate, London EC2R 6DA.

The Company's auditors are PricewaterhouseCoopers LLP, Atria One, 144 Morrison Street, Edinburgh EH3 8EX, Scotland, United Kingdom.

The Company is a wholly owned subsidiary of Baillie Gifford & Co (BG & Co), an investment management partnership based at Calton Square, 1 Greenside Row, Edinburgh EH1 3AN. BG & Co is a mixed-activity holding company under article 213(2)(d) of the Delegated Regulation. PRA supervision of the BG & Co group is limited to monitoring intragroup transactions between the Company and other group entities and is undertaken by the Insurance Division of the PRA.

A.1.1 Baillie Gifford Group Structure

A simplified group structure as at 31 March 2018 is shown below:



A.1.2 Lines of Business

The Company is now closed to new business but had two lines of existing business during the reporting period: - unit-linked insurance and unit-linked reinsurance accepted under the same terms. Separate unit-linked funds are not maintained for these two lines of business.

All business is carried out in the UK with trustees of UK pension schemes and other UK life insurance companies and is structured as a means of providing BG & Co investment management on a wholesale basis to pension arrangements. The Company has not written any other business and no further business will be written in the future following the closure of the unit-linked pension funds.

The key characteristics of the policies written by the Company are that:

- There are no investment guarantees of any kind
- The Company is able to close any or all unit-linked funds at three months' notice
- All policy benefits are linked to the value of assets held by the Company in internal linked funds
- The Company is able to cancel the policies subject to a period of notice of no more than one year by reason of a provision in the relevant contracts
- They include no material insurance risk. The contracts do have annuity options (on non-guaranteed terms), but the Company has not written any annuity business and will not do so in the future.

A.1.3 Significant events

A.1.3.1 Closure of Unit-Linked Pension Funds

The Company offers clients access to BG & Co's investment strategies through trustee investment policies and reinsurance contracts with other UK life insurers.

Following a strategic review the Board formally resolved to cease to effect new contracts of insurance on 28 February 2017, and the Company agreed a run-off plan which resulted in the closure of all of its unit-linked pension funds by 27 April 2018.

In order to facilitate the closure of the Company's unit-linked pension funds, policyholders have been transferred, with their agreement, to direct ownership of shares of equal value in existing or new Baillie Gifford OEIC sub-funds.

Throughout this process, the Company consulted with both the PRA and the FCA. Following the closure of all the Company's funds, an application has been made to cancel all of the Company's regulatory permissions. Subject to receiving a positive determination from the regulators, the proposal is that the Company will enter into a "members' voluntary liquidation" by the end of 2018.

A.1.4 Basis of Preparation

The SFCR is prepared in compliance with the financial reporting provisions of the PRA Rules and Solvency II regulations, and therefore in accordance with a special purpose financial reporting framework. As a result of the Company's intention to enter into a "members' voluntary liquidation" (see A.1.3.1) the SFCR has been prepared on an 'other than going concern' basis. There have been no changes to the valuation of the assets or liabilities as a result of the SFCR being prepared on an 'other than going concern' basis other than a provision for liabilities arising from the "members' voluntary liquidation".

A.2 Underwriting Performance

All policies written by the Company are classified as investment contracts for accounting purposes. Amounts received in respect of investment contracts are included in the period in which the actuarial liability is established and are accounted for using 'deposit accounting' whereby any amounts received or settled on such contracts are dealt with directly in the balance sheet as an adjustment to the liability to the policyholder through technical provisions for linked liabilities. As a result, the underwriting performance as shown in the financial statements consists of fee income earned from policyholders net of the expenses of the Company.

Underwriting performance For the year ended 31 March	Unit linked insurance 2018	Reinsurance accepted 2018	Total 2018	Unit linked insurance 2017	Reinsurance accepted 2017	Total 2017
Underwriting result	£000	£000	£000	£000	£000	£000
Fee income earned	35,885	9,897	45,782	37,457	9,690	47,147
Investment management expenses	(19,695)	(5,431)	(25,126)	(18,406)	(4,761)	(23,167)
Other expenses	(14,611)	(4,029)	(18,640)	(17,089)	(4,422)	(21,511)
Underwriting profit before tax	**1,579**	**437**	**2,016**	**1,962**	**507**	**2,469**

Other expenses comprise marketing and distribution commission of £8,953,000 (2017: £10,683,000) and administrative expenses of £9,687,000 (2017: £10,828,000).

A.3 Investment Performance

The income and expenses arising from the investments within the unit-linked funds are fully offset by an equivalent change in the value of policyholder liabilities. Details of the investment performance of the assets held within the unit-linked funds have not been disclosed in this report. Policyholders received quarterly updates on the performance of their funds.

The Company's non-linked assets comprise holdings in the Baillie Gifford Cash Fund (a UCITS fund), and cash at bank with approved institutions as follows:

Holdings in Related Undertakings, Including Participations

Baillie Gifford Cash Fund: £14,249,000 (2017: £14,229,000)

In the period ended 31 March 2018 the Company received interest on these assets of £10,000 (2017: £26,000).

Cash and Cash Equivalents

Cash at bank and bank deposits: £13,142,000 (2017: £15,138,000)

In the period ended 31 March 2018 the Company received interest on these assets of £17,000 (2017: £22,000).

There were no gains or losses recognised directly in equity during the reporting period. (2017: nil).

The Company did not hold any investments in securitisations during the reporting period. (2017: nil).

A.4 Performance of Other Activities

The Company had no other income or expenses during the reporting period. (2017: nil).

The Company had no leasing arrangements during the reporting period. (2017: nil).

A.5 Any Other Information

There is no other material information regarding the Company's business and performance for the reporting period.

B. System of Governance

B.1 General Information on the System of Governance

The Board assesses the adequacy of the system of governance on an annual basis through a review of the Company's Governance Framework and Solvency II Governance pack. These documents detail:

— changes from the previous governance pack
— the governance and decision making framework including relevant committees
— governance map setting out allocation of significant management responsibilities
— directors' duties and responsibilities
— relevant Company policies.

As noted in B.8, the Board approved these documents on 15 November 2017 and assessed the Company's system of governance as being adequate relative to the nature, scale and complexity of the risks inherent in its business.

B.1.1 Board of Directors

The Board carries ultimate responsibility for ensuring that the Company has organisational and operational structures in place to support its strategic objectives and operations along with discharging its regulatory, legal and tax responsibilities. This includes a defined organisational structure and well defined responsibilities including oversight of all outsourced functions. The Board consists of partners and employees of BG & Co and two external non-executive directors who provide an independent perspective to the overall running of the business and scrutinise the approach of executive management, the Company's performance and its standard of conduct.

The following were members of the Board at 31 March 2018:

Director	Approved Function
AR Tait (Chair, Partner BG & Co.)	SIMF 9 Chair, SIMF 7 Group Entity Senior Insurance Manager
KH Fraser	SIMF 1 Chief Executive Officer, CF1 Director
AL Warden (Partner, BG & Co.)	SIMF 7 Group Entity Senior Insurance Manager
P Morrison	CF1 Director
EC McKee (Partner, BG & Co.)	CF1 Director
BK Rigby	Notified Non-Executive Director
S Creedon	Notified Non-Executive Director

All operational activities including investment management are outsourced to BG & Co under intragroup agreements. The Company does not have entity specific committees but instead the Board may delegate duties to senior committees or individuals and relies on a number of BG & Co Group committees and functions to support its oversight and governance of the Company's activities.

B.1.2 Key Functions

Key functions have been identified as Actuarial, Risk Management, Internal Audit and Compliance (as prescribed by Solvency II) and other functions which are of specific importance to the sound and prudent management of the Company, namely, Investment Management, Client Liaison and Business Development, Fund Operations, Information Systems and Custody.

The Board is responsible for ensuring that a written outsourcing policy is in place including details of reporting and monitoring arrangements. Key functions outsourced to BG & Co are covered by intragroup service agreements. These agreements delegate authority to the relevant BG & Co business areas to undertake the key functions on behalf of the Company. The agreements set out the basis of how services are performed including having appropriate procedures and resources with the necessary qualifications, competencies, skills and professional experience in order to undertake the functions effectively.

Monitoring and oversight of these functions is the responsibility of the Board and this takes place in a number of ways including:

— Regular reports to the Board summarising matters relevant to the Company including issues affecting performance of services or availability of resources
— Members of the Board sit on various Baillie Gifford Group Committees
— Review by the Board of relevant Key Risk Indicators and other management information.

B.1.3 Key Functions – Solvency II

The Solvency II key functions detailed below are outsourced to BG & Co except Actuarial which is externally outsourced to Barnett Waddingham, an independent third party provider.

Key function	SIMR Approved Function/ FCA Controlled Function	Function description and Board Oversight
Risk management	SIMF 4 – Chief Risk Officer	This function is performed by the Group Business Risk Department whose role is to evaluate the adequacy and effectiveness of the internal control system and other elements of the system of governance and also be independent from all operational functions. The Board is responsible for ensuring the effectiveness of the risk management system including performance of the Own Risk and Solvency Assessment (ORSA). The Board receives a regular quarterly risk, capital and solvency report and a six monthly business risk report from the Group Business Risk department. These reports will include any relevant issues highlighted by the Group Risk Committee. The Board also reviews and approves the annual ORSA report.
Compliance	CF10 – Compliance	This function is performed by the Group Compliance Department. The Board is responsible for ensuring that the Company complies with all relevant PRA and FCA regulations. The Board relies on the Group Compliance department to assist with discharging all regulatory responsibilities with oversight by the Group Compliance Committee. The Company's Compliance Policy sets out the responsibilities of the Compliance function and the Board receives a six monthly report on all compliance matters.
Internal audit	SIMF 5 – Internal Audit	This function is performed by the Group Internal Audit Department whose role is to evaluate the adequacy and effectiveness of the internal control system and other elements of the system of governance and also be independent from all operational functions. The Board is responsible for ensuring that the Company has an effective internal audit function. The Internal Audit Policy sets out the responsibilities of the function and the Board receives a six monthly report summarising the work performed and any findings and recommendations.
Actuarial	SIMF 20 – Chief Actuary	The Board is responsible for ensuring that the Company has an effective actuarial function. The Company outsources the actuarial function to Barnett Waddingham LLP. The role of Chief Actuary is held by a partner of Barnett Waddingham LLP with appropriate qualifications and experience. The Chief Actuary reviews the calculation of technical provisions, SCR and MCR results and provides input to the ORSA process. The Company's Chief Executive provides oversight and assesses the performance of the arrangement.

B.1.4 Key functions – Other

The table below discloses other key functions identified as being of specific importance to the sound and prudent management of the Company. These key functions are outsourced to BG & Co except Custody which is externally outsourced to Bank of New York Mellon, an independent third party provider.

Key function	SIMR Approved Function / FCA Controlled Function	Function description and Board Oversight
Investment Management	CF1 – Director, BGL SIMF 7 – Group Entity Senior Insurance Management Function, BG & Co Oversight	This function performs the investment management for the Group including the Company's unit-linked pension funds. The Investment Management Group is responsible for all investment matters including dealing, corporate governance and investment risk. Board oversight is via the review of quarterly reports on investment performance and investment risk and annual reports covering the order execution policy and trading procedures and control processes.
Client Liaison and Business Development	CF1 – Director, BGL SIMF 7 – Group Entity Senior Insurance Management Function, BG & Co oversight	This function is responsible for servicing all existing policyholders. The Company Chair is a member of the Clients Department Management Group which is responsible for business development and client service. A Board Director is a member of the UK Clients Group which is responsible for overseeing the Company's client service. Board oversight and monitoring includes approval of the annual business plan, reviews of quarterly marketing reports and the annual review of fund bibles, Treating Customers Fairly statement and the customer satisfaction survey.
Fund Operations	SIMF 1 – Chief Executive Officer, BGL	This function is responsible for the fund accounting, unit pricing and unit allocation for the Company's unit-linked pension funds. It is also responsible for financial accounting and regulatory reporting for the Company. The Company's Chief Executive Officer is also Head of the Life Operations department and has oversight of and reports to the Board on fund operation matters.
Information systems	SIMF 1 – Chief Executive Officer, BGL	This function is responsible for developing and maintaining the information systems for the Company's operations including administration and accounting systems, client reporting and servicing systems and our investment dealing systems. The Company's Chief Executive Officer presents a six monthly information systems update to the Board. The Board also receives a six monthly Business Risk Report and an Annual Report on Internal Controls which highlights any exceptions or issues.
Custody	SIMF 1 – Chief Executive Officer	This service is provided by Bank of New York Mellon who provide custodial services (including safe custody of assets, settlement, taxation) for the Company's unit-linked pension funds. The Company's Chief Executive Officer is a member of the Group Counterparty Committee which is responsible for the ongoing monitoring of custodial relationships and presents a quarterly Counterparty Committee Report to the Board. Board oversight is also exercised via an annual Due Diligence Report and a six monthly Internal Audit Report.

The Company also outsources certain other functions to BG & Co including Legal, Human Resources and Client Operations. These functions are not deemed to be Key Functions as from a risk perspective they do not impact the safety and soundness of the Company.

In addition to the key functions noted above, the Company has allocated the position of SIMF 7 – Group Entity Senior Insurance Manager Function to a number of senior individuals who are members of the Management Committee. This position has not been included above as this is not deemed to be a Key Function.

B.1.5 Remuneration Policy

The Company does not have any direct employees. All operational activities are delegated to BG & Co and to external service providers. No remuneration other than to the external non-executive directors is paid by the Company.

B.1.5.1 Group Remuneration Policy

The Group Remuneration Policy (Group policy) is designed to be consistent with and promote sound and effective risk management and should not encourage risk-taking that exceeds the Group's risk tolerance. The policy is aligned to the Group strategy, its risk profile and risk management practices, values, and the long term interests of the Group and clients.

The remuneration of staff is reviewed annually, taking into account individual performance and market practice for the role being undertaken. In addition, the Group's bonus arrangements are reviewed every three years in order to ensure their effectiveness. Bonus calculations and targets are also reviewed annually to ensure that they are appropriate, fair and consistent across the Group. Appropriate consideration is given to the relative proportions of fixed and variable components of remuneration. The variable component of remuneration is dependant on the Group's profitability and individuals' performance relative to objectives with maximum levels established in terms of ratios of fixed to variable pay. Within these maximum limits, performance for determining the actual level of bonus awarded is measured at both an individual and team level.

As BG & Co is a partnership, there is no component of an individual's remuneration in respect of share options or shares. All Bonus Scheme awards made are subject to bonus deferral in order to support BG & Co's compliance with the FCA's Remuneration Code and to provide a stronger link between individual rewards and the experience of BG & Co's clients. During the period of deferral, the awards will be held in a range of funds managed by BG & Co. The Company has no pension arrangements with any members of the Board, senior managers or key function holders.

There were no material transactions during the reporting period with shareholders, persons who exercise a significant influence on the Company or with members of the Board other than in respect of fees paid to BG & Co. There is a contract between the Company and BG & Co whereby the latter served the Company as investment managers. Fees of £25,126,000 (2017: £23,167,000) were paid by the Company for these services. In addition, BG & Co provided marketing and administration services for which fees of £15,416,000 (2017: £18,174,000) were paid by the Company.

B.1.5.2 Company Remuneration Policy

The Company's Remuneration Policy is designed to supplement the Group policy by setting out the key processes that the Company employs to ensure all areas of remuneration practice are covered including those which are outside of the scope of the Group policy, for example the remuneration of non-executive directors. Together, the Company and Group policies comply with the Solvency II Regulation requirements and with the PRA Supervisory Statement SS10/16 'Solvency II: Remuneration Requirements'.

The remuneration of non-executive directors is reviewed every two years by the Chair of the Company, taking into account market data and any change to roles and responsibilities. A recommendation is presented to the BG Staff Committee for approval. The aim is to reward non-executive directors fairly and appropriately for their contribution towards the success of the business and is designed to be consistent with and promote sound and effective risk management and should not encourage excessive risk taking or threaten the ability of the Company to maintain an adequate capital base.

B.2 Fit and Proper Requirements

SIMR and the FCA's Approved Persons Regime (APR) are the means by which the regulators have implemented and embedded the Solvency II measures relating to governance and fitness and propriety of individuals.

The PRA expects that the Board and all those individuals responsible for a Senior Insurance Management Function (SIMF), key function holders, key function performers and notified NEDs to be fit and proper at all times.

The individuals responsible for the key functions which are outsourced to BG & Co are subject to the BG & Co Employee Competence Policy. This policy aims to ensure that all individuals who effectively run the Company and other key function holders possess the necessary skills, knowledge and expertise to satisfy the regulatory fitness and propriety and competence requirements. These individuals are required to possess relevant qualifications and a number of years' relevant experience within BG & Co and/or similar organisations.

B.2.1 Board Collective Assessment

An assessment is undertaken annually to ensure that the Board collectively possesses appropriate qualifications, skills, expertise and knowledge in order to carry out their Board responsibilities effectively.

B.2.2 Individual Assessment, Appraisals and Development

The Company assesses the initial and ongoing fitness and propriety of SIMFs, key function holders, key function performers and notified NEDs. Part of this assessment is to ensure that in-scope individuals satisfy the requirements of SIMR. The Company carries out vetting and background checks on each of these individuals to assess personal characteristics including honesty, integrity and reputation and financial soundness.

The role of the Performance and Development Framework is a key part of the process for the on-going assessment of fitness and competence. All employees are required to participate in the Group Performance & Development Framework and formally assess their achievement of objectives and competencies and identify areas for development on an annual basis. As part of this process, managers will formally assess whether employees continue to be competent in their role and able to meet their objectives. This process will however, highlight any training needs due to changes to a role which need to be addressed to maintain competence. Employees who are in positions that require them to be formally assessed as competent under the regulatory regime, must be reassessed and approved as maintaining competence by their manager as part of the annual process.

All employees are responsible for maintaining the required level of skill, knowledge and expertise to discharge the responsibilities of their role by keeping themselves up to date with industry and regulatory changes that may affect their role.

Each BG & Co partner has an annual appraisal and an in-depth, longer term appraisal with the Senior Partners every three years which focusses on longer-term objective setting and development planning. This can also include 360-degree feedback.

B.3 Risk Management System Including the Own Risk and Solvency Assessment

B.3.1 Basis of Approach

Responsibility for risk management rests with the Board. The Board is supported by the SIMF 4 (Chief Risk Officer) and the risk management function, which is fulfilled by BG & Co's Business Risk Department, whose responsibilities are to:

- Implement effective risk management policies and procedures appropriate to the risks;
- Provide updates to the Board at least quarterly, including covering the key risks and escalation of issues as appropriate; and
- Prepare the ORSA.

The risk management function communicates with other functions in undertaking its role and is also subject to independent oversight by Internal Audit as part of their monitoring programme. The Company also has a Risk Management Policy which is reviewed and approved annually by the Board.

Where appropriate, the Company's Risk Management Policy and risk management function build on the existing parts of the risk management framework of the Group to make use of expertise and advice, and avoid unnecessary duplication. This is appropriate given the overall structure of the Group and the risk profile of the Company.

B.3.2 Identification and Assessment

The Company uses the Group risk management framework to identify, measure and manage risks. The resulting key risks and controls relevant for the Company are set out in a risk map. Within each category, key risks are identified and assessed.

There is ongoing review as and when there are significant changes to the business processes or systems, reported errors, or other information of relevance. The identified risks are also formally reviewed and challenged at least annually by the Chief Actuary and the Board.

B.3.3 Monitoring and Reporting

The Board maintains oversight of risk management arrangements during the year, primarily via regular reporting from the Business Risk, Compliance and Internal Audit Departments of BG & Co.

The review of risks, the adequacy of the control environment and risk mitigants, and the related capital and liquidity requirements is an on-going process embedded within the governance and risk framework of the Company. The Board reviews emerging risks as they arise through the year to consider any implications for the risk assessment. On a quarterly basis risk levels are compared to the risk appetite statement with any areas of concern escalated to the Board to determine appropriate actions.

B.3.4 Overview of the ORSA Process

The Company is required to perform an ORSA as part of its risk management system. The ORSA process is owned by the Company's Board. The Company's ORSA Policy outlines the approach to the ORSA and the processes and procedures in place to conduct the ORSA. The ORSA process is an integral part of the Company's risk and capital management framework. The objectives are to identify, assess, monitor, manage and report on both short and long term risks and to determine the capital required to ensure that the Company can meet its solvency requirements at all times. The ORSA is a continuous process with the full involvement of and approval by the Board and significant input from the Chief Risk Officer and Chief Actuary.

The Board receives an update of the Company's capital position against both the Pillar I Solvency Capital Requirement (SCR), Minimum Capital Requirements (MCR), and Pillar II ORSA on a quarterly basis. This quarterly review is based on the latest financial position and also any changes to the risks faced by the Company.

The Company last prepared an ORSA Report in June 2017 to coincide with the March year end reporting cycle. The solvency and capital position has continued to be reviewed on a quarterly basis in accordance with the current process and will continue to do so during the wind-down period. However, following an update to the Company's risk assessment, the Board agreed that a formal ORSA Report would not be prepared at 31 March 2018, due to:

- The status of the Company, given all clients were transferred out and the unit-linked pension funds closed by 27 April 2018
- The capital requirement under the existing ORSA was significantly in excess of the minimum levels which would now likely be required under an ORSA process.

More detail on the risk profile of the Company is provided in Section C.

B.3.5 Use of the ORSA

The principal uses of the ORSA are:

- To inform strategic or material business decisions;
- To ensure that the Company maintains sufficient capital to meet its business requirements at the valuation date and over the business planning period;
- To monitor required capital and compare this to the Company's risk appetite; and
- As a key consideration in determining what level of dividend is appropriate taking into account the Company's current and projected capital position.

B.4 Internal Control System

B.4.1 Internal Control System

The Board is responsible for ensuring that appropriate systems and controls are in place to manage the key risks of the Company. The main controls which mitigate these risks are set out in the risk map.

Management of the majority of operating activities, including business continuity management and valuation and pricing processes, is delegated to BG & Co under intercompany agreements. Consequently, day to day responsibility for operational risk management rests with BG & Co line management who are responsible for continuously identifying, assessing and managing the key risks within their business area. Managers identify and document key risks and controls and allocate responsibility for them to specific staff or teams.

Documentation is reviewed by departmental management as and when changes occur to the business profile, processes, risks, controls and external environment, to ensure they remain a complete and accurate record of the key risks faced by the Company. This process is supplemented by a formal review and sign-off of key risks and controls by the head of each BG & Co department periodically.

B.4.2 Compliance Function

The Board delegates the responsibility of the compliance function to BG & Co, which has a Compliance Department that is made up of forty-two compliance professionals that are organised in three core teams comprising the Monitoring, Ethics and Conduct Assurance team, the Regulatory Developments and Advisory team and the Policies Training and Regulatory Reporting team. The compliance function is staffed by those with the necessary qualifications, competencies, skills and professional experience in order to effectively undertake the compliance responsibilities for the Group as a whole, including those relevant tasks assigned for the Company. The Head of Compliance (CF10 Compliance Function) formally reports to the Board on a six monthly basis and on an ad hoc basis where required.

B.5 Internal Audit Function

The Board delegates the responsibility of the internal audit function to BG & Co, which has an independent Internal Audit Department. Their role is to assess and report on the adequacy and effectiveness of the internal risk, control and governance processes, review the effectiveness of management's actions to address weaknesses in the control framework, and provide independent and constructive risk focused challenge to management on the control environment. An internal audit plan is prepared on an annual basis and approved by the Audit Committee of BG & Co and formally reassessed at half year. Progress against the plan and any proposed changes are communicated to the Audit Committee for discussion at each of its four committee meetings throughout the year. Internal Audit will formally report to the Board on a six monthly basis and on an ad hoc basis where required. Reporting includes a summary of audits undertaken (including associated findings and actions) and those within the plan applicable to the Company.

The independence and objectivity of the Internal Audit Department is maintained via the following measures:

- Internal Audit report directly to the Chair of the Audit Committee of BG & Co;
- Internal Audit will remain free from interference by any element in the Group, including matters of audit selection, scope, procedures, frequency, timing, or report content; and
- Internal auditors will have no direct operational responsibility or authority over any of the activities audited.

B.6 Actuarial Function

The Actuarial Function is outsourced to Barnett Waddingham. The responsibilities of the Actuarial Function are set out in Section 6 of the PRA's Conditions Governing Business Rulebook. The main tasks carried out by this function include coordination of the calculation of technical provisions, ensuring the appropriateness of the technical provisions, reviewing the SCR modelling approach, providing input into the ORSA process and reporting to the Board on all of the above. These tasks are set out in the engagement letter between the Company and Barnett Waddingham.

The Company's Chief Executive is responsible for the oversight of the Actuarial Function which is a Solvency II key function.

B.7 Outsourcing

The Company has a written Outsourcing Policy in place which sets out a framework to ensure that the Company has an adequate system of governance in place for oversight of its outsourced relationships.

The Company outsources the following operational functions to BG & Co under the terms of intercompany agreements:

— Risk management
— Compliance
— Internal audit
— Investment management
— Client Liaison and Business Development
— Fund operations (including Finance)
— Information systems.

In addition, the Actuarial Function is outsourced to Barnett Waddingham (London) and the Custody Function is outsourced to Bank of New York Mellon (London branch).

All outsourced activities undergo a risk and impact assessment. Material changes to existing outsourcing relationships are reviewed by the Chief Executive Officer with the regulator notified if appropriate. A member of the Board is responsible for oversight of each critical outsourced function. For functions outsourced to BG & Co, oversight and monitoring are performed through regular reporting to the Board, interaction with various Group committees and review by the Board of relevant management information.

B.8 Any Other Information

The Board reviewed the Company's Governance Framework and Solvency II Governance Pack on 15 November 2017 and assessed the system of governance as being adequate relative to the nature, scale and complexity of the risks inherent in its business. Relevant sections of the Company's governance framework documentation were amended during the reporting period to reflect the fact that the Company was now closed to new business and was no longer marketing its products to potential new clients.

There is no other material information regarding the system of governance.

C. Risk Profile

Given the relatively simple nature of the business and operating model, the overall risk profile of the Company is considered low. The risk profile of the Company has been reviewed to reflect the transfer of policyholder assets and subsequent closure of unit-linked pension funds. There is not considered to be any material risk concentrations to which the Company is exposed except for the reliance on the Group given the business model. All risks are assessed under a common framework as described in Section B.3. In addition, as part of the Company's approach to risk management also set out in Section B.3., the Directors undertake their own forward looking assessment of own risks and capital using qualitative analysis and scenario analysis where appropriate.

The capital requirements in respect of the risks used to calculate the Company's SCR are as follows:

Risks	Capital Requirement as at 31 March 2018 (£000)	Capital Requirement as at 31 March 2017 (£000)
C.1 Underwriting Risk	–	1,424
C.2 Market Risk	–	1,900
C.3 Credit Risk (incl. counterparty default risk)	954	881
C.4 Liquidity Risk	–	–
C.5 Operational Risk	9,329	8,499
C.6 Other material risks	–	–
Diversification	–	(1,167)
Tax adjustment	(1,963)	(2,302)
Total SCR	**8,320**	**9,235**

The Company calculates the SCR under the standard formula basis. The SCR for operational risk is determined using a simple formula (25% of expenses, excluding acquisition expenses, incurred in the 12 months to the valuation date). The Board considers the standard formula to overstate capital requirements as this basis does not consider the successful transfer of operational risk from the Company to BG & Co under intercompany arrangements.

A summary of each risk area is provided below, covering the assessment and key mitigation techniques. The risk classifications used may not be fully aligned with the Solvency II definitions and are based on those in the Company's Risk Map to reflect the nature of the Company's risk profile.

C.1 Underwriting Risk

Underwriting risk is the risk of loss or adverse change in the value of insurance liabilities, due to inadequate pricing and provisioning assumptions. For the Company, underwriting risk is limited to lapse risk and expense risk.

The Company has no appetite for underwriting risk per se. The policies written have no investment guarantees and, although policies include an annuity option, no annuities have been written. The business model is set up to absorb a 100% lapse rate in the year and the consequent effect on fund charges earned. The terms of the intercompany agreements between the Company and BG & Co are such that expenses payable by the Company are, in most circumstances, capped at fee income less expenses. The Company would avoid incurring a loss in all but very extreme circumstances of very low levels of funds under management given the quantum of direct expenses.

As at 31 March 2018 underwriting risk was rated low, with the fee capping mechanism described above resulting in a nil underwriting risk SCR. The risk was eliminated post year end given the cessation of all policies by 27 April 2018.

C.2 Market Risk

Market risk relates to a reduction in profitability due to a market downturn, poor performance, or loss of clients.

The Company has no appetite to pursue market risk as a way of earning additional shareholder value.

Policyholder assets are closely matched to liabilities and are invested in line with clear investment policies and guidelines which are set for each fund, and these take into account the prudent person principle. Any diminution in the value of linked assets is borne by the policyholders. The Company is set up to absorb a 100% fall in the value of linked assets and the consequent effect on fund charges earned as expenses are sensitive so far as is possible to the volumes of fees earned and sufficient capital is held to cover the Company's residual direct expenses. Given the reduced level of policyholder assets as at 31 March 2018, market risk is rated low and, as for underwriting risk, fee capping leads to a nil market risk SCR.

Market risk includes the risk of higher inflation rates causing fixed expenses to rise in the future. The Company's fixed expenses relate to corporate administration expenses recharged from BG & Co and direct expenses incurred. The planned "members' voluntary liquidation" limits the exposure to long term higher inflation rates. Limited market risk remains post year end given the estimated fixed expenses for the period to the expected date of "members' voluntary liquidation".

Non-linked assets are held in sterling cash, deposits or in the BG Cash Fund (a UCITS fund). Market risk for non-linked assets is therefore limited to a fall in prevailing short term interest rates. At 31 March 2018 all non-linked assets were classified as cash at bank and therefore not subject to the market risk SCR stresses.

The implications of potential variations in revenue in relation to a market risk event are part of the normal financial planning process. Financial forecasts have been prepared quarterly and presented to the Board, and a number of stress tests have been run for the purposes of the ORSA to assess various adverse scenarios and their impact on the forward looking projections.

C.3 Credit Risk

Credit risk is the risk that the Company suffers a loss as a result of a third party failing to discharge an obligation.

Credit risk may arise out of all products and services offered where third parties have, or might have, a payment obligation towards the Company, the placement of the Company's assets, the risk of failure of a custodian/sub-custodian, or default of a counterparty used for the Company's own funds.

The Company has a low tolerance for loss of policyholder assets and default by the custodian.

In relation to policyholder default of payment obligations, trading is normally undertaken on a cleared funds basis, with any exceptions to this controlled via formal procedures for the acceptance of forward deals.

Counterparties such as the directly appointed custodian and deposit holders are considered under the Group's counterparty approval and monitoring processes with oversight of decisions by the Board. For identified risks, the potential likelihood and impact are considered in a stressed situation to determine any capital requirements.

Subsequent to the year end, the risks relating to loss of policyholder assets and custodian default have been eliminated given the transfer of all policyholder assets and closure of unit-linked pension funds by 27 April 2018.

The Company has a low tolerance to counterparty default risk in respect of non-linked assets. This is managed by all deposits being held at 'approved' credit institutions (either directly or indirectly through the holding of the BG Cash Fund) whose status is reviewed quarterly by the Baillie Gifford Counterparty Committee. The Counterparty Committee is responsible for approving deposit takers and to be approved, institutions must meet minimum credit criteria set by the Counterparty Committee. There are no material risk concentrations other than to bank counterparties with counterparty default risk of £954,000 (2017: £881,000) disclosed in the table included under C.

C.4 Liquidity Risk

Liquidity risk is the risk that sudden changes in expected cash flows force the Company to seek potentially costly short-term funding, the availability of which cannot be assured. For the unit-linked funds, it is the risk that there are insufficient liquid assets available within a fund in order to cater for the redemption expectations of investors in that fund. No active risk is taken to pursue additional returns from liquidity risk. The Board oversees liquidity via regular reporting from the risk management function.

BG & Co fund managers are responsible for managing the liquidity of individual funds in order to be able to comply with each fund's underlying obligations. Fund liquidity is monitored taking into account the investment strategy, liquidity profile and redemption policy of each fund. This includes stress testing to better understand the impact of adverse market conditions on both the fund's assets and redemption activity. In addition, the accounting teams are responsible for ensuring that in relation to the operations of the Company, there are sufficient funds to meet liabilities as they fall due for settlement of trades or payment of expenses.

Stress testing has been performed for each unit-linked fund and tailored to the specific fund characteristics to simulate the impact of a reduction in liquidity on the historic redemption cover ratios. Scenario analysis has also been performed to simulate the impact of various adverse market conditions and investor behaviour. The results of the stress testing exercise are reported to the Board.

Non-linked assets are held in liquid form (and a holding in the BG Cash Fund), and in relation to the Company's operational cashflow, fixed expenses are small in relation to the income generated and settlement is flexible.

The total amount of expected profit included in future premiums, calculated in accordance with Article 260(2) of the Delegated Regulation, is zero given the structure of policies written.

The risks relating to the settlement of trades and policyholder redemptions are considered to be low given the reduced level of policyholder assets at 31 March 2018. Following the closure of the unit-linked pension funds on 27 April 2018, the only remaining risk relates to the level of liquid assets available to settle expenses which is rated low given the Company's cash balances.

C.5 Operational Risk

Operational risk is the risk of loss arising from inadequate or failed internal processes, people and systems or from external events. Specifically this also includes business continuity, valuation and information security. The Company has no appetite for increasing operational risk for short term profitability.

Day to day management of activities is delegated to BG & Co under intercompany agreements and therefore virtually all operational risk is met by the parent company. These activities are subject to close oversight from the Board via regular reporting from the risk, compliance and internal audit functions. The Board also receives regular updates in respect of the operational activities delegated to BG & Co.

Operational risk is rated low at 31 March 2018 given the reduced level of policyholder assets with limited residual risk remaining following the cessation of activity relating to clients on 27 April 2018. Of those risks which remain, the most significant is the ongoing reliance on the intercompany arrangement with BG & Co and the provision of indemnities for any issues which may arise in respect of the services previously undertaken by BG & Co prior to 27 April 2018.

C.6 Other Material Risks

The Company is owned by, and obtains services from, BG & Co and consequently the position of BG & Co is relevant in considering the risks to the Company. Potential scenarios are considered by the Board, including the actions and potential costs where the Company can no longer place reliance on the support of BG & Co. There are a number of factors which mitigate this risk including close interaction between the Company's directors and BG & Co, professional indemnity insurance cover, and BG & Co's own capital adequacy requirements. As with the other risk categories detailed above, there is limited residual risk remaining following the transfer of policyholder assets and closure of unit-linked funds by 27 April 2018.

C.7 Any Other Information

The Company has no risk exposure arising from off-balance sheet positions nor does it transfer risk to special purpose vehicles.

There is no material other information regarding the risk profile of the Company.

D. Valuation for Solvency Purposes

D.1 Assets

All assets have been valued in the same manner for both Solvency II purposes and for the Company's financial statements. The Solvency II valuation for each material class of asset is contained in Quantitative Reporting Template (QRT) reference S.02.01.02.

The assets are valued in accordance with Article 75 of the Solvency II Directive which requires that 'assets shall be valued at the amount for which they could be exchanged between knowledgeable willing parties in an arms length transaction'. The Company's financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS 102). There are no differences between the Solvency II valuation and the valuation requirements of FRS 102.

There have been no changes to the recognition and valuation bases over the reporting period. No material assumptions or judgements have been used in the valuation of the assets.

The Company does not have any intangible assets, financial or operating leases or deferred tax assets.

The value of assets held at 31 March is as follows:

Asset class	31 March 2018 (£000)	31 March 2017 (£000)
Holdings in related undertakings, including participations	14,249	14,229
Deposits other than cash equivalents	–	3,000
Assets held for index-linked and unit-linked contracts	1,436,997	9,595,627
Insurance and intermediaries receivables	2,417	6,407
Receivables (trade, not insurance)	246	558
Cash and cash equivalents	13,142	12,138
Total assets	**1,467,051**	**9,631,959**

The valuation bases, methods and assumptions used to value the assets are as follows:

Holdings in Related Undertakings, Including Participations

Holdings in related undertakings, including participations are measured at fair value.

Holdings in related undertakings, including participations are held in markets where there is active trading and valued at the closing mid-prices in active markets at the valuation date.

Deposits Other Than Cash Equivalents

Deposits other than cash equivalents are valued as the unadjusted cash balance at the valuation date which represents fair value.

Assets Held for Index-Linked and Unit-Linked Contracts

The breakdown of assets held for linked liabilities is as follows:

Asset class	31 March 2018 (£000)	31 March 2017 (£000)
Equities	46,463	7,972,484
Collective investment undertakings	1,388,142	1,389,627
Cash and cash equivalents	1,937	206,398
Other assets	455	27,118
Total assets held for linked liabilities	**1,436,997**	**9,595,627**

All financial investments held within assets held to cover linked liabilities including deposits held with credit institutions have been designated as held at fair value:

- Equities are valued at the closing quoted bid price at the valuation date. All equities are held in a range of global markets where there is active trading
- Collective investment undertakings are held in markets where there is active trading and valued at the closing mid-prices in active markets at the valuation date
- Cash and cash equivalents are valued as the unadjusted cash balance at the valuation date
- Other assets comprise accrued income and tax debtors which are valued in accordance with the valuation basis in the financial statements.

Insurance and Intermediaries Receivables

Insurance and intermediaries receivables are held at fair value being the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction. Insurance and intermediaries receivables relate to policy charges accrued or invoiced but not yet received and are valued as the amount of the charge. There are no differences to the valuation requirements of FRS 102.

Receivables (Trade, not Insurance)

Receivables (trade, not insurance) are held at fair value being the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction and primarily relate to tax recoveries and are valued as the amount of reclaimable tax. There are no differences to the valuation requirements of FRS 102.

Cash and Cash Equivalents

Cash and cash equivalents are valued as the unadjusted cash balance at the valuation date which represents fair value.

D.2 Technical Provisions

The Company writes two lines of business. These are unit-linked insurance business comprising trustee investment plans (‘direct business’) together with unit-linked reinsurance accepted on the same terms (‘reinsurance business’). All business is pensions business.

The technical provisions at 31 March 2018 and 31 March 2017 are as follows:

At 31 March 2018	£000	£000	£000
Line of business	Direct	Reinsurance	Total
Unit liabilities (per statutory accounts)	215,595	1,221,402	1,436,997
Value of in-force business (VIF)	–	–	–
Risk Margin	83	472	555
Total technical provisions (Solvency II basis)	**215,678**	**1,221,874**	**1,437,552**

At 31 March 2017	£000	£000	£000
Line of business	Direct	Reinsurance	Total
Unit liabilities (per statutory accounts)	7,048,722	2,546,904	9,595,626
Value of in-force business (VIF)	(1,148)	(414)	(1,562)
Risk Margin	436	157	593
Total technical provisions (Solvency II basis)	**7,048,010**	**2,546,647**	**9,594,6**

Methodology

The same methodology and assumptions are used to determine the technical provisions for both lines of business.

Technical provisions have been determined as the unit liabilities, less the value of in-force business (VIF) plus the risk margin.

The unit liabilities are taken as the value of units allocated to in-force contracts at the valuation date, as disclosed in the financial statements. The reduction in unit liabilities over the year to 31 March 2018 primarily reflects actions taken by the Company to run-off and close its insurance business.

The VIF has been determined using recognised actuarial methods as the best estimate calculation of the present value of the excess of policy charges over expenses.

The VIF is determined using a deterministic cash-flow projection method. The projection period at 31 March 2018 is limited to one month, reflecting the closure of the Company’s insurance business by 27 April 2018. A twelve month projection period was used at 31 March 2017.

The projection involves estimating the policy charges and expenses cash-flows that the Company expects to receive and incur respectively over the projection period, based on the business in force at the valuation date and using a single set of best estimate projection assumptions. The net cash-flow in each month is then discounted to the valuation date to give a present value.

The policy charges cash-flows are annual management charges (‘fee income’) which are either deducted directly from unit-linked funds, or otherwise invoiced directly to policyholders.

The expenses cash-flows fall into five categories:

— investment management fees;

— marketing and distribution commission;

— corporate administration services charges;

— insurance policy administration services;

all of which are contractually defined in the intercompany agreement between the Company and BG & Co; and

— other expenses, or ‘direct expenses’, that are fixed or variable monetary amounts.

The assumption for expenses other than those which are contractually defined is based on the Company's expectations taking into account experience over the twelve months to the valuation date and any anticipated changes.

Economic assumptions are based on market data at the valuation date and withdrawal assumptions are based on actual experience over a five year period to the valuation date, adjusted as necessary to make appropriate allowance for extraordinary events. It is assumed that the average rate of fee income on in-force business at the valuation date is maintained throughout the projection period, adjusted as necessary to make appropriate allowance for extraordinary events.

At 31 March 2018 both the withdrawal assumption and average rate of fee income assumptions were adjusted to reflect the known closure of the insurance business.

There is no obligation for policyholders to pay additional premiums other than, for some policies, where annual management charges are invoiced and paid by way of premiums. The technical provisions therefore include no allowance for additional premiums other than charges.

The reduction in VIF at 31 March 2018 is a consequence of the reduced level of funds under management due to the Company's planned run-off and closure.

The risk margin has been assessed in accordance with the methodology set out in the Delegated Regulation as the cost of holding an adjusted SCR over the projected run-off of the business.

The risk margin has been determined over a one year period, the minimum period required under the regulations reflecting the short projected run-off of the business. It has been calculated using the result of the SCR at the valuation date but with the bank counterparty default and market risk module SCR set equal to zero on the assumption that these risks could be hedged if required. The risk margin is apportioned across the two lines of business in proportion to the respective unit liabilities. This is considered a proportionate and appropriate approach as the amount of unit liabilities is a reasonable proxy for the risk associated with each line of business and the impact of using an alternative method of apportionment would not be material to the overall technical provisions.

Simplifications

The VIF has been determined using an aggregate approach. Under the aggregate approach, the VIF cash-flows are projected for the business as a whole, not at an individual policy level. The resulting VIF is then apportioned between direct and reinsurance accepted business based on the respective unit liabilities at the valuation date. This approach involves the following simplifying assumptions:

- A single rate of surrender is used across all funds and both lines of business. In reality surrender rates are likely to vary by fund and line of business. However, in normal circumstances, surrender rates for the business written by the Company are very hard to predict as they will depend on a number of factors including relative investment performance, market sentiment over a particular fund, the individual circumstances of the policyholder and the size of the policyholder's investment with the Company. The VIF is relatively insensitive to the surrender assumptions and given the value of the VIF compared to the total technical provisions, more granular assumptions are unlikely to lead to materially different technical provisions. At 31 March 2018, future exits were largely known because of the planned closure and this was taken into account in setting the projection assumptions
- The approach, whereby the VIF is apportioned between direct and reinsurance contracts by reference to the value of unit liabilities, implicitly assumes that expenses defined as monetary amounts (as opposed to percentage of policy charges) are apportioned over individual policies on a pro rata basis based on the monetary amount of annual policy charge each policy is expected to generate. A different allocation of the monetary expenses would not change the overall VIF, given the way expenses are determined, but could affect the split of the total between direct and reinsured business. Given that the Company considers monetary expenses at a company level, this implicit apportionment, effectively by ability to pay, is not unreasonable, especially taking into account the low materiality of the VIF compared to the total technical provisions.

Uncertainty

The methodology employed is proportionate to the nature, scale and complexity of the risks accepted by the Company.

There are no material deficiencies in the data used for the technical provisions.

All business written is unit-linked pensions business with no investment guarantees. The unit liabilities are matched by holding the assets upon which the unit liability is determined.

At the valuation date, the Company had already given notice to close all funds and terminate all policies by the end of May 2018. The VIF projection period at 31 March 2018 is therefore both limited and certain.

Although the VIF depends upon a number of projection assumptions, the result is small in comparison to the overall technical provisions, which are dominated by the value of unit liabilities. At 31 March 2018 the VIF is zero. This reflects the nature of the Company's intragroup service agreements which protect it against making a loss in all but very extreme circumstances.

Market movements are a key driver of fluctuations in the overall level of unit liabilities and potentially the VIF. If different plausible assumptions or more complex methodology were to be used, the technical provisions would not be materially different.

Reconciliation with Financial Statements

Technical provisions are calculated differently for the Company's financial statements compared to the basis used for solvency purposes. The technical provisions for solvency purposes are £555,041 higher than the technical provisions reported in the financial statements, reflecting the VIF (which is zero at 31 March 2018) and the risk margin held for solvency purposes.

Adjustments, Transitional Arrangements and Reinsurance

The Company does not use a matching adjustment, volatility adjustment, transitional adjustment in respect of the risk-free interest rate term structure or transitional deduction in respect of technical provisions.

There are no outgoing reinsurance contracts in place, and no risks have been transferred to special purpose vehicles.

Material Changes in Assumptions

The only material changes in assumptions are to reflect the closure of the Company's insurance business. These are:

— A reduction in the VIF projection period from twelve months to one month

— Updates to the average rate of fee income and withdrawal assumptions to reflect the composition of business in force at 31 March 2018 and planned exits over April 2018.

D.3 Other Liabilities

All other liabilities at 31 March 2018 have been valued in the same manner for both solvency purposes and for the Company's financial statements. At 31 March 2017 there was a difference in the value of deferred tax liabilities as explained below. There have been no changes to the recognition and valuation bases over the reporting period. No material assumptions or judgements have been used in the valuation of the liabilities.

The value of liabilities at 31 March is as follows:

Liability class	31 March 2018 £000	31 March 2017 £000
Deferred tax liabilities	72	270
Insurance and intermediaries payable	2,972	5,501
Payables (trade, not insurance)	323	679
Total liabilities	**3,367**	**6,450**

The valuation bases, methods and assumptions used to value the liabilities are as follows:

Deferred Tax Liabilities

The deferred tax liability of £72,000 is in respect of a transitional measure relating to UK tax legislation changes introduced on 1 January 2013. There are no differences to the valuation requirements of FRS 102 at 31 March 2018.

The deferred tax liability shown for 31 March 2017 included an amount reflecting a notional tax on future profits recognised on the Solvency II balance sheet (the sum of the VIF less the risk margin) that was not shown on the financial statements. The Solvency II balance sheet for 31 March 2018 does not show any future profits and so this additional deferred tax liability does not exist this year.

Insurance and Intermediaries Payable

The insurance and intermediaries payable are held at fair value being the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction and relate to payments due to BG & Co under the intercompany agreements. The value is the amount owed. There are no differences to the valuation requirements of FRS 102.

Payables (Trade, not Insurance)

The trade payables are held at fair value being the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction and comprise tax payable of £175,000 (2017: £495,000) and expense accruals of £148,000 (2017: £184,000). The value is the amount expected to be paid. There are no differences to the valuation requirements of FRS 102.

D.4 Alternative methods for Valuation

Alternative methods for valuation have not been used.

D.5 Any Other Information

There is no other material information regarding the valuation of assets and liabilities for solvency purposes.

E. Capital Management

E.1 Own Funds

Capital Management Policy

In managing capital the Company seeks to maintain sufficient capital resources of appropriate quality to give policyholders assurance of its financial strength and to satisfy the requirements of the regulators.

All of the capital resources of the Company are comprised of equity and the reconciliation reserve categorised as Tier 1 capital.

Own funds are predominantly held as deposits at ‘approved’ credit institutions (either directly or indirectly through the holding of the BG Cash Fund), whose status is reviewed quarterly by the Baillie Gifford Counterparty Committee. The Counterparty Committee is responsible for approving deposit takers and, to be ‘approved’, institutions must meet minimum credit criteria set by the Counterparty Committee.

Before any dividend is paid, the Board will consider the capital position of the Company, including the position on a prospective basis, so that the Company retains sufficient capital after any dividend payment to at least meet regulatory capital requirements and its capital management plan targets in all reasonably foreseeable circumstances and taking into account known strategic initiatives including the Company’s decision to close to new business.

The Board may cancel and withhold dividends at any time prior to payment. Should events arise that lead to a deterioration in the Company’s solvency position, any declared dividend would be amended or cancelled as appropriate in order to meet regulatory requirements and/or internal targets.

Any change to the Capital Management Policy will require approval by the Board. The monitoring of capital as ‘Tier 1’ including confirmation that it is free from any encumbrance is carried out as part of the quarterly Risk, Capital and Solvency Position Report.

Capital Management Plan

The purpose of the capital management plan is to ensure that the Company has sufficient capital to meet both its SCR and MCR requirements and any capital requirements as set out in the results of the projections made in the ORSA over the business planning cycle.

The Company maintained capital resources of at least 200% of its ORSA and SCR capital requirements up to and including 27 April 2018, the date where the last of its insurance liabilities was paid.

Now that the Company’s insurance business is closed, the capital management plan is of limited relevance, although the Company intends to hold an appropriate level of capital to meet regulatory requirements and any ongoing expenses until such time as it is no longer a regulated entity.

The Company aims to hold capital resources of at least 200% of the ORSA or SCR whichever is the higher.

The target cover of 200% has been set in order that the Company is able to demonstrate adequate financial strength and security but is not intended to represent any particular risk appetite.

Any change to the plan will require approval by the Board. The percentage cover has been monitored through the quarterly Risk, Capital and Solvency Position Report.

There have been no material changes to the Capital Management Policy or plan over the reporting period.

Own funds at 31 March are as follows:

	31 March 2018 (£000)	31 March 2017 (£000)
Tier 1 unrestricted		
Ordinary share capital	50	50
Reconciliation reserve	26,081	30,802
Total available own funds to meet the SCR	**26,131**	**30,852**
Total available own funds to meet the MCR	**26,131**	**30,852**
Total eligible own funds to meet the SCR	**26,131**	**30,852**
Total eligible own funds to meet the MCR	**26,131**	**30,852**
SCR	8,320	9,235
SCR Cover*	**314%**	**334%**
MCR	3,744	4,156
MCR Cover*	**698%**	**742%**

*Cover is calculated as the ratio of own funds to the relevant capital requirement.

The movement in own funds over the reporting period represents the net impact of profit earned in the period, payment of an interim dividend of £5,000,000 and the difference between technical provisions for solvency purposes and the liabilities to policyholders reported in the financial statements.

The reconciliation reserve of £26,081,000 included in the Own Funds QRT S.23.01.01 represents the Company's net asset position on a Solvency II basis plus equity as disclosed in the Balance Sheet QRT S.02.01.02.

All of the Company's £26,131,000 own funds at 31 March 2018 is Tier 1 basic own funds and is available to provide cover for the SCR and MCR without restriction.

The difference between equity shown in the financial statements and the excess of assets over liabilities used for solvency purposes arises solely from the combined impact of the VIF and the risk margin which are not recognised in the financial statements but are reflected in the reconciliation reserve. As at 31 March 2018, the equity shown in the financial statements is £555,000 higher (2017: £785,000 lower) than the excess of assets over liabilities used for solvency purposes.

No basic own fund item is subject to the transitional arrangements referred to in Articles 308b(9) and 308b(10) of the Solvency II Directive. There are no ancillary own fund items and no deductions have been made from own funds.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

The SCR is determined using the standard formula. The SCR and MCR as at 31 March are shown below.

	31 March 2018 (£000)	31 March 2017 (£000)
SCR		
Operational risk	9,329	8,499
Market risk	–	1,900
Life underwriting risk	–	1,424
Counterparty default risk	954	881
Diversification across risk modules	–	(1,167)
Tax adjustment	(1,963)	(2,302)
Total SCR	**8,320**	**9,235**
MCR	**3,744**	**4,156**

The SCR has reduced by £915,000 over the reporting period. This reduction primarily reflects:

— A fall in capital requirements in respect of stresses that impact the VIF (at 31 March 2018 the VIF is zero under the base position and all relevant SCR stresses); offset by

— An increase in the operational risk SCR following an increase in non-acquisition expenses (the operational risk SCR for the Company is determined as 25% of the non-acquisition expenses incurred in the year to the valuation date).

The Company has not applied any simplifications in calculating the SCR using the standard formula as outlined in Article 88 to Article 112 of the Delegated Regulation. The Company is taking a proportionate and simplified approach to calculating the SCR for market risk in that all unit-linked assets are assumed to be invested in 'Type 2' equities as defined in Article 168 of the Delegated Regulation.

No undertaking specific parameters are used to calculate the SCR pursuant to Article 104(7) of the Solvency II Directive.

The Company does not have any capital add-ons or specific parameters applied to the SCR calculation pursuant to the third subparagraph of Article 51(2) of the Solvency II Directive.

The Company is not required to use any undertaking specific parameters in accordance with Article 110 of the Solvency II Directive. No capital add-on has been applied to the SCR.

The MCR calculation is set out in the Delegated Regulation. Given the nature of the Company's business, the required inputs to the calculation that are not defined under the regulations are limited to:

— the technical provisions excluding the risk margin for unit-linked life insurance and reinsurance obligations of £1,437,997,000 (2017: £9,594,064,000); and

— the amount of capital at risk. Given payments made under the contracts issued by the Company are not directly contingent on death, the capital at risk is taken to be zero.

At both 31 March 2018 and the previous year end, the MCR is set equal to 45% of the SCR. The reduction in the MCR at 31 March 2018 reflects the fall in SCR at that date.

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E.3 Use of the Duration-based Equity Risk Sub-module in the Calculation of the Solvency Capital Requirement

The Company is not using the duration-based equity risk sub-module set out in Article 304 of the Solvency II Directive.

E.4 Differences Between the Standard Formula and Any Internal Model Used

The Company is not using an internal model.

E.5 Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement

The Company's eligible own funds exceeded both the MCR and the SCR throughout the reporting period.

E.6 Any Other Information

There is no other material information regarding the capital management of the Company.

F. Directors' Statement

We acknowledge our responsibility for preparing the SFCR in all material respects in accordance with the PRA Rules and the Solvency II Regulations.

We are satisfied that:

a. throughout the financial year in question, the Company has complied in all material respects with the requirements of the PRA Rules and Solvency II Regulations as applicable to the Company; and

b. it is reasonable to believe that the Company has continued so to comply subsequently and will continue so to comply in future.

KH Fraser
Director and Chief Executive Officer

G. Report of the External Independent Auditors

Report of the External Independent Auditors to the Directors of Baillie Gifford Life Limited ('the Company') pursuant to Rule 4.1 (2) of the External Audit Part of the PRA Rulebook applicable to Solvency II firms

Report on the Audit of the Relevant Elements of the Solvency and Financial Condition Report

Opinion

We have audited the following documents prepared by the Company as at 31 March 2018:

— The 'Valuation for solvency purposes' and 'Capital Management' sections of the Solvency and Financial Condition Report of the Company as at 31 March 2018, ('the Narrative Disclosures subject to audit'); and

— Company templates S.02.01.02, S.12.01.02, S.23.01.01, S.25.01.21 and S.28.01.01 ('the Templates subject to audit').

The Narrative Disclosures subject to audit and the Templates subject to audit are collectively referred to as the 'relevant elements of the Solvency and Financial Condition Report'.

We are not required to audit, nor have we audited, and as a consequence do not express an opinion on the Other Information which comprises:

— The 'Summary', 'Business and performance', 'System of governance' and 'Risk profile' elements of the Solvency and Financial Condition Report

— Company templates S.05.02.02

— The written acknowledgement by management of their responsibilities, including for the preparation of the Solvency and Financial Condition Report ('the Responsibility Statement').

In our opinion, the information subject to audit in the relevant elements of the Solvency and Financial Condition Report of the Company as at 31 March 2018 is prepared, in all material respects, in accordance with the financial reporting provisions of the PRA Rules and Solvency II regulations on which they are based, as modified by relevant supervisory modifications, and as supplemented by supervisory approvals and determinations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) including ISA (UK) 800 and ISA (UK) 805, and applicable law. Our responsibilities under those standards are further described in the 'Auditors' Responsibilities for the Audit of the relevant elements of the Solvency and Financial Condition Report' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Solvency and Financial Condition Report in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Preparation

In forming our opinion on the Solvency Financial Condition Report, which is not modified, we have considered the adequacy of the disclosure made in Section A.1.4 concerning the basis of preparation. During the year, the Directors decided that the Company would cease trading. The formalities associated with a "members' voluntary liquidation" process are expected to conclude during the next financial year and the entity will be wound up. Accordingly, the going concern basis of preparation is no longer appropriate and this Solvency Financial Condition Report has been prepared on a basis other than going concern as described in Section A.1.4. There have been no changes to the valuation of the assets or liabilities as result of moving to a basis other than going concern. However, adjustments have been made in this Solvency and Financial Condition Report to provide for liabilities arising from the decision.

Emphasis of Matter – Basis of Accounting

We draw attention to the 'Valuation for solvency purposes' and 'Capital Management' of the Solvency and Financial Condition Report, which describe the basis of accounting. The Solvency and Financial Condition Report is prepared in compliance with the financial reporting provisions of the PRA Rules and Solvency II regulations, and therefore in accordance with a special purpose financial reporting framework. The Solvency and Financial Condition Report is required to be published, and intended users include but are not limited to the Prudential Regulation Authority. As a result, the Solvency and Financial Condition Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The Directors are responsible for the Other Information.

Our opinion on the relevant elements of the Solvency and Financial Condition Report does not cover the Other Information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Solvency and Financial Condition Report, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the relevant elements of the Solvency and Financial Condition Report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the relevant elements of the Solvency and Financial Condition Report or a material misstatement of the Other Information. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Solvency and Financial Condition Report

The Directors are responsible for the preparation of the Solvency and Financial Condition Report in accordance with the financial reporting provisions of the PRA rules and Solvency II regulations.

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of a Solvency and Financial Condition Report that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the relevant elements of the Solvency and Financial Condition Report

It is our responsibility to form an independent opinion as to whether the information subject to audit in the relevant elements of the Solvency and Financial Condition Report is prepared, in all material respects, in accordance with financial reporting provisions of the PRA Rules and Solvency II regulations on which they are based.

Our objectives are to obtain reasonable assurance about whether the relevant elements of the Solvency and Financial Condition Report are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decision making or the judgement of the users taken on the basis of the Solvency and Financial Condition Report.

A further description of our responsibilities for the audit is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

This report, including the opinion, has been prepared for the Directors of the Company to comply with their obligations under External Audit rule 2.1 of the Solvency II firms Sector of the PRA Rulebook 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.

Report on Other Legal and Regulatory Requirements

In accordance with Rule 4.1 (3) of the External Audit Part of the PRA Rulebook for Solvency II firms we are also required to consider whether the Other Information is materially inconsistent with our knowledge obtained in the audit of the Company's statutory financial statements. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
Edinburgh
20 June 2018

Appendix 1 – Quantitative Reporting Templates

Reference	Template Name
S.02.01.02	Balance Sheet
S.05.01.02	Premiums, claims and expenses by line of business
S.12.01.02	Life and Health SLT Technical Provisions
S.23.01.01	Own Funds
S.25.01.21	Solvency Capital Requirement – for undertakings on Standard Formula
S.28.01.01	Minimum Capital Requirement – Only life or only non-life insurance or reinsurance activity

The following templates are reported in sterling thousands.

S.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0010	Goodwill	
R0020	Deferred acquisition costs	
R0030	Intangible assets	
R0040	Deferred tax assets	
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	14,249
R0080	*Property (other than for own use)*	0
R0090	*Holdings in related undertakings, including participations*	14,249
R0100	*Equities*	0
R0110	*Equities - listed*	
R0120	*Equities - unlisted*	
R0130	*Bonds*	0
R0140	*Government Bonds*	0
R0150	*Corporate Bonds*	0
R0160	*Structured notes*	0
R0170	*Collateralised securities*	0
R0180	*Collective Investments Undertakings*	0
R0190	*Derivatives*	
R0200	*Deposits other than cash equivalents*	0
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	1,436,997
R0230	Loans and mortgages	0
R0240	*Loans on policies*	0
R0250	*Loans and mortgages to individuals*	
R0260	*Other loans and mortgages*	
R0270	Reinsurance recoverables from:	0
R0280	*Non-life and health similar to non-life*	0
R0290	*Non-life excluding health*	
R0300	*Health similar to non-life*	
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	0
R0320	*Health similar to life*	0
R0330	*Life excluding health and index-linked and unit-linked*	0
R0340	*Life index-linked and unit-linked*	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	2,417
R0370	Reinsurance receivables	
R0380	Receivables (trade, not insurance)	246
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	13,142
R0420	Any other assets, not elsewhere shown	
R0500	Total assets	1,467,050

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	0
R0520	*Technical provisions - non-life (excluding health)*	0
R0530	*TP calculated as a whole*	
R0540	*Best Estimate*	
R0550	*Risk margin*	
R0560	*Technical provisions - health (similar to non-life)*	0
R0570	*TP calculated as a whole*	
R0580	*Best Estimate*	
R0590	*Risk margin*	
R0600	Technical provisions - life (excluding index-linked and unit-linked)	
R0610	*Technical provisions - health (similar to life)*	0
R0620	*TP calculated as a whole*	0
R0630	*Best Estimate*	0
R0640	*Risk margin*	0
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	
R0660	*TP calculated as a whole*	0
R0670	*Best Estimate*	0
R0680	*Risk margin*	
R0690	Technical provisions - index-linked and unit-linked	1,437,552
R0700	*TP calculated as a whole*	1,436,997
R0710	*Best Estimate*	0
R0720	*Risk margin*	555
R0730	Other technical provisions	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	72
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	2,472
R0830	Reinsurance payables	
R0840	Payables (trade, not insurance)	823
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in BOF*	
R0870	*Subordinated liabilities in BOF*	0
R0880	Any other liabilities, not elsewhere shown	
R0900	Total liabilities	1,440,919
R1000	Excess of assets over liabilities	26,131

S.05.01.02

Premiums, claims and expenses by line of business

Life

		Line of Business for: life insurance obligations	Life reinsurance obligations	Total
		Index-linked and unit-linked insurance	Life reinsurance	
		C0230	C0280	C0300
	Premiums written			
R1410	*Gross*	104,025	548,884	652,909
R1420	*Reinsurers' share*			0
R1500	*Net*	104,025	548,884	652,909
	Premiums earned			
R1510	*Gross*	104,025	548,884	652,909
R1520	*Reinsurers' share*			0
R1600	*Net*	104,025	548,884	652,909
	Claims incurred			
R1610	*Gross*	8,104,735	2,221,854	10,326,589
R1620	*Reinsurers' share*			0
R1700	*Net*	8,104,735	2,221,854	10,326,589
	Changes in other technical provisions			
R1710	*Gross*			0
R1720	*Reinsurers' share*			0
R1800	*Net*	0	0	0
R1900	**Expenses incurred**	36,269	10,002	46,271
R2500	**Other expenses**			
R2600	**Total expenses**			46,271

S.12.01.02
Life and Health SLT Technical Provisions

		Index-linked and unit-linked insurance			Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)
			Contracts without options and guarantees	Contracts with options or guarantees		
		C0030	C0040	C0050	C0100	C0150
R0010	Technical provisions calculated as a whole	215,595			1,221,402	1,436,997
R0020	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole				0	0
	Technical provisions calculated as a sum of BE and RM					
	Best Estimate					
R0030	Gross Best Estimate			0	0	0
R0080	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default				0	0
R0090	Best estimate minus recoverables from reinsurance/SPV and Finite Re		0	0	0	0
R0100	Risk margin	83			472	555
	Amount of the transitional on Technical Provisions					
R0110	Technical Provisions calculated as a whole					0
R0120	Best estimate					0
R0130	Risk margin					0
R0200	Technical provisions - total	215,678			1,221,874	1,437,552

S.23.01.01
Own funds

		Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35					
R0010	Ordinary share capital (gross of own shares)	50	50		0	
R0030	Share premium account related to ordinary share capital	0	0		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0070	Surplus funds	0	0			
R0090	Preference shares	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0130	Reconciliation reserve	26,081	26,081			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	0				0
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0	0	0	0
	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds					
R0220	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	0				
	Deductions					
R0230	Deductions for participations in financial and credit institutions	0				
R0290	Total basic own funds after deductions	26,131	26,131	0	0	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0				
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual-type undertakings, callable on demand	0				
R0320	Unpaid and uncalled preference shares callable on demand	0				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0				
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0				
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0				
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0390	Other ancillary own funds	0				
R0400	Total ancillary own funds	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	26,131	26,131	0	0	0
R0510	Total available own funds to meet the MCR	26,131	26,131	0	0	
R0540	Total eligible own funds to meet the SCR	26,131	26,131	0	0	0
R0550	Total eligible own funds to meet the MCR	26,131	26,131	0	0	
R0580	SCR	8,328				
R0600	MCR	3,744				
R0620	Ratio of Eligible own funds to SCR	314%				
R0640	Ratio of Eligible own funds to MCR	[illegible]				

		C0060
	Reconciliation reserve	
R0700	Excess of assets over liabilities	26,131
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	
R0730	Other basic own fund items	50
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0760	Reconciliation reserve	26,081
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	
R0780	Expected profits included in future premiums (EPIFP) - Non-life business	
R0790	Total Expected profits included in future premiums (EPIFP)	0

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	0		0
R0020	Counterparty default risk	954		
R0030	Life underwriting risk	0		0
R0040	Health underwriting risk	0		0
R0050	Non-life underwriting risk	0		0
R0060	Diversification	0		
R0070	Intangible asset risk	0		
R0100	Basic Solvency Capital Requirement	954		

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	9,330
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	-1,963
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	Solvency Capital Requirement excluding capital add-on	8,320
R0210	Capital add-ons already set	0
R0220	Solvency capital requirement	8,320
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0

S.28.01.01
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations	C0010
R0010 MCR$_{NL}$ Result	0

	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
	C0020	C0030
R0020 Medical expense insurance and proportional reinsurance		
R0030 Income protection insurance and proportional reinsurance		
R0040 Workers' compensation insurance and proportional reinsurance		
R0050 Motor vehicle liability insurance and proportional reinsurance		
R0060 Other motor insurance and proportional reinsurance		
R0070 Marine, aviation and transport insurance and proportional reinsurance		
R0080 Fire and other damage to property insurance and proportional reinsurance		
R0090 General liability insurance and proportional reinsurance		
R0100 Credit and suretyship insurance and proportional reinsurance		
R0110 Legal expenses insurance and proportional reinsurance		
R0120 Assistance and proportional reinsurance		
R0130 Miscellaneous financial loss insurance and proportional reinsurance		
R0140 Non-proportional health reinsurance		
R0150 Non-proportional casualty reinsurance		
R0160 Non-proportional marine, aviation and transport reinsurance		
R0170 Non-proportional property reinsurance		

Linear formula component for life insurance and reinsurance obligations	C0040
R0200 MCR$_L$ Result	10,059

	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
	C0050	C0060
R0210 Obligations with profit participation - guaranteed benefits		
R0220 Obligations with profit participation - future discretionary benefits		
R0230 Index-linked and unit-linked insurance obligations	3,446,917	
R0240 Other life (re)insurance and health (re)insurance obligations		
R0250 Total capital at risk for all life (re)insurance obligations		

Overall MCR calculation	C0070
R0300 Linear MCR	10,059
R0310 SCR	8,320
R0320 MCR cap	3,744
R0330 MCR floor	2,080
R0340 Combined MCR	3,744
R0350 Absolute floor of the MCR	3,251
R0400 Minimum Capital Requirement	3,744