BAILLIE GIFFORD

Governance, Risk Management and Capital Disclosures ('Pillar 3')

June 2016

Contents

1. Introduction and Context

Purpose of Disclosures

Under EU legislation, the Capital Requirements Directive ('CRD IV'), Baillie Gifford is required to disclose information in line with rules issued by the Financial Conduct Authority ('FCA') for any firm within the scope of CRD IV. In addition, the FCA has continued to apply to certain firms, disclosure requirements contained within the prior iteration of the Capital Requirements Directive, known as 'CRD III'. Accordingly, the disclosures required by these regulatory provisions apply to a number of firms in the Baillie Gifford group.

The FCA's General Prudential Sourcebook ('GENPRU'), Prudential Sourcebook for firms known as BIPRU Firms ('BIPRU') and Prudential Sourcebook for Investment Firms ('IFPRU') implement the CRD and other prudential requirements in the UK ('Prudential Rules'). These rules are built on three pillars:

- Pillar 1: establishes the Capital Resources Requirement (the minimum capital requirement)
- Pillar 2: the process for assessing capital adequacy in relation to the actual risk profile of the firm and determining whether additional capital is required to cover these risks by the firm's governing body through the Internal Capital Adequacy Assessment Process ('ICAAP') and the subsequent regulator's Supervisory Review and Evaluation Process ('SREP').
- Pillar 3: rules for the disclosure of risk and capital management, including capital adequacy, governance and the firm's remuneration policy for certain categories of staff.

This document is updated and published annually, or more frequently if there are significant changes to the business or activities of the Baillie Gifford group which materially affect these disclosures.

Scope

The information in this document relates to Baillie Gifford & Co, and its subsidiary and joint venture companies.

As a private partnership each of the partners of Baillie Gifford & Co is jointly and severally liable for the obligations of the firm and this liability is unlimited. All partners work full time within the business.

In order to provide its services to clients, Baillie Gifford & Co and certain of its subsidiary and joint venture companies ('Baillie Gifford') are authorised and regulated by a number of regulatory authorities. These include the Financial Conduct Authority ('FCA'), in respect of our UK operations, and the Securities and Exchange Commission ('SEC'), in respect of our investment advisory activities for clients in the United States. The FCA register numbers and relevant Prudential Rules for each firm are as follows:-

Partnership	FCA Register[1]	Prudential Rules
Baillie Gifford & Co	142597	BIPRU
Subsidiary Companies		
Baillie Gifford Overseas Limited	121818	BIPRU
Baillie Gifford & Co Limited	119179	IPRU (INV)
Baillie Gifford Savings Management Limited	150233	IFPRU
Baillie Gifford Life Limited[2]	189453	PRA Solvency II Rulebook
Joint Venture Company		
Mitsubishi UFJ Baillie Gifford Asset Management Limited	145243	BIPRU

[1] Access to the FCA's register is available via their website at http://www.fca.org.uk/register/

[2] In addition, Baillie Gifford Life Limited is separately regulated by the Prudential Regulation Authority ('PRA').

Disclosure of Baillie Gifford's remuneration policies and practices are covered in a separate document "Remuneration Disclosures" which is available on the Baillie Gifford website (www.bailliegifford.com).

Basis of Preparation

The financial information has been taken from historical information from the 30th April 2016 Baillie Gifford Capital Adequacy FCA Return.

The disclosures have been reviewed and approved by the governing body of Baillie Gifford & Co (the 'Management Committee') and are published on the Baillie Gifford website. They have not been subject to audit.

As a Scottish general partnership, Baillie Gifford & Co is not required to produce consolidated group accounts. The firms above, excluding Baillie Gifford Life Limited, are consolidated for regulatory reporting purposes using the aggregation method under the FCA rules for investment firms. Baillie Gifford Life Limited is not included in this consolidation as it is separately regulated as an insurance company under the PRA. Baillie Gifford Savings Management Ltd is the only firm in the group which is within the scope of CRD IV and Baillie Gifford & Co has been granted permission from the FCA to waive the consolidated own funds requirements and reporting under CRD IV at a group level.

The following capital, risk management and governance disclosures relate to firms in the Baillie Gifford group which are subject to the BIPRU and IFPRU sourcebook and the PRA Solvency II Rulebook. Additional disclosures relevant to BGSM and BGL are included in the appendix.

2. Governance Arrangements

Overview

The members of the Management Committee (the governing body of Baillie Gifford & Co) are determined by the Joint Senior Partners and are largely based on the executive roles held by the individuals across the firm. In addition, to provide challenge in the Management Committee's decision making processes, two members are appointed who do not hold direct accountability or responsibility for reporting of an executive nature.

It is a requirement that these individuals have a good understanding and knowledge of the business of Baillie Gifford and its main risks and sufficient time in their current role to take on Management Committee responsibilities effectively.

The Chairperson of each Baillie Gifford subsidiary company Board has responsibility for considering the overall composition of their Board, identifying any skill gaps and, in conjunction with the Management Committee, for ensuring that appropriate individuals are approved for appointment. They must have adequate collective knowledge, skills and experience to understand the subsidiary company's activities and its risks. All directors undergo induction training on appointment.

The governing body of each regulated firm in the group receives a pack each year which documents the entity's overall governance framework which is designed to provide the respective governing body with assurance as to the organisational and decision-making arrangements which are in place and any changes that have occurred, and the opportunity for objective challenge and review on an annual basis.

Diversity

Baillie Gifford is committed to providing equal treatment and equal opportunities in all aspects of employment and in the management and governance of its business affairs. Baillie Gifford aims to provide a work environment and operate business practices which encourage diversity, are free of discrimination, and where promotion is based solely on merit, against objective criteria.

This stretches from the recruitment process through access to training, opportunities for progress to promotion and appointment to positions of significant influence and responsibility. This approach is also adopted in the appointment to partnership and membership of the Management Committee or other governance or supervisory committees.

Diversity of experience, talent, background, gender, age and other characteristics is valued and encouraged in the composition of all boards and committees as it is recognised that, not only does this make full use of the talent pool, but that it also strengthens decision making effectiveness by reducing the risk of 'groupthink'.

Accordingly, without reference to specific targets, those responsible for appointments to governing boards and committees assess the qualities, characteristics, qualifications, experience, knowledge and understanding of the business held by candidates in the context of the requirements of the vacant positions and the wider existing membership of the governance body involved with a view to ensuring high quality decision making.

3. Risk Management

Overview

Baillie Gifford's sole business is investment management and it is not involved in broking, investment banking or any other trading activity (save in very limited circumstances where it deals on its own account in providing initial seeding for new funds) and does not hold deposits.

Investment management is principally an agency activity and therefore requires very low levels of working capital and the main asset required to conduct such an agency service is staff. Whilst this gives some exposure to non-financial risks, exposure to financial risk is very limited. The major risks facing Baillie Gifford are therefore operational, strategic and business in nature including obligations in respect of its Defined Benefit Staff Pension Scheme.

As Baillie Gifford is headed by an unlimited liability partnership with full-time working partners, there is a particularly strong awareness of risk with a well-established and resourced framework of internal controls. This control framework is supplemented by high levels of general and financial lines insurance.

Group Risk Management Framework

Baillie Gifford operates a group wide risk management framework, which includes a Risk Appetite Framework, Group Risk Policy, and several committees to provide a mechanism to ensure that risks are managed effectively. The framework aims to focus risk management activity on the strategic aims of the business and provide a high degree of confidence that unexpected risk events will not interfere with the strategy. It provides a means of expressing the firm's attitude to risk and forms a framework for risk decision making.

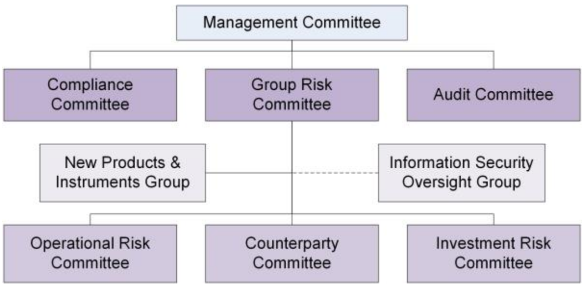
The Baillie Gifford group's overall objective is to add value for clients after fees over the long run and the strategy to do so is to focus investment management staff on backing their judgement to maximise the chances of them adding value, whilst providing the highest possible standards of service to maintain client confidence when performance is not good, thereby maximising the chances of the client remaining over the long run.

Baillie Gifford & Co's partnership culture fosters a no-blame culture with the focus on learning from our mistakes and a lack of external pressure to manage short-term earnings. This allows the group to take a long term approach to the business, for example by continuing to invest in people, systems and processes in downturns or closing to new business when we are growing too quickly. The emphasis in our strategy on high service standards leads us (within reason) to try to avoid conflicts of interest with clients, to put their interests first, to avoid products we do not think are likely to be good investments for them, and to reduce operational and reputational risks, all of which are threats to clients' perceptions of high service.

Baillie Gifford endeavours to keep its business relatively simple. It also deliberately utilises tailored in house systems where appropriate and is careful to ensure that appropriate levels of support staff are employed.

The strategy and general risk appetite statement is periodically communicated to all staff.

Baillie Gifford's committee structure and risk management reporting framework is designed to provide a mechanism to assurance management that risks are managed effectively and internal control processes are operating as required. The key governance committees in respect of risk management are as follows:



The Management Committee of Baillie Gifford & Co is responsible for overseeing the overall strategy and risk profile of the business and approves the risk appetite framework.

Implementation and oversight of the risk framework, including the Group Risk Policy, is the responsibility of the Group Risk Committee. In turn, three specialised committees are responsible for implementation and oversight of operational risk, counterparty risk and investment risk. The Compliance Committee is responsible for ensuring the adequacy of Baillie Gifford's policies and procedures to ensure compliance with regulatory obligations and the Audit Committee is a separate supervisory committee which assists the Management Committee in carrying out its responsibilities in relation to Baillie Gifford's accounting policies, internal controls and financial reporting functions.

Separately, a New Products and Instruments Group is responsible for the review of new products, or material changes to existing products, and of the use of new instruments. It reports to the Group Risk Committee. Also an Information Security Oversight Group is responsible for ensuring we have an effective information security strategy and that systems and controls are robust and proportionate. The group comprises representatives from Information Systems and Business Risk Departments.

The risk management framework is reviewed at least annually by the Management Committee. It is amended to reflect any significant evolution in strategy, financial capacity, regulatory constraints, internal change, etc. In addition, any issues arising from the limit monitoring and reporting process may result in revisions to the risk appetite during the year.

Risk Identification and Management Process

The Baillie Gifford risk management framework takes a bottom up approach to risk assessments complemented by a top down assessment of the risk profile and is organised using a three lines of defence model.

Line 1: Management Functions

Management of each business area is responsible for continually identifying, assessing and managing the risks within their area on a day to day basis. Managers identify and document key risks and controls and allocate responsibility for them to specific staff.

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 risks faced by the firm. This process is supplemented by a quarterly review of key risks and controls by each business area, which is overseen by the Operational Risk Committee**.** Risks are escalated to the appropriate governance committee to support the timely resolution of issues.

Line 2: Risk Functions

The Business Risk and Compliance Functions, assisted by other functions such as Legal, Finance and Human Resources, support the risk and compliance committees. This line provides policy direction and oversees and monitors the risk framework to determine whether all key risks are being identified, assessed and controls by management in a manner commensurate with the Firms applicable risk appetite and regulatory needs.

Functionally, these areas report to the Finance and Administration Partner and maintain direct access to the Joint Senior Partners. Independent information regarding business and regulatory risks is delivered through this structure. A summary of these areas is given below:

Business Risk: The role of the Business Risk Department is to ensure that the risk management framework is aligned with Baillie Gifford's strategy and culture. This includes responsibility the regular assessment of risk exposures against the agreed risk appetite and the resulting adequacy of capital, liquidity, insurance and business recovery plans. The Director of Business Risk and Internal Audit reports to the Management Committee quarterly. Business Risk also records and reviews incidents and monitors operational risk exposures.

Compliance: The Compliance Department is responsible for providing assurance to Baillie Gifford on its management of regulatory risk by identifying, assessing, monitoring and reporting on regulatory risks and providing advice on the group's regulatory obligations. The department adopts a risk-based approach to monitoring, utilising a combination of departmental and procedural reviews, substantive sample checking and trend analysis.

Incident Management

Baillie Gifford has a firm-wide policy for dealing fairly with incidents, including those that may affect clients. Incidents are recorded in an in-house incident management system and are escalated to, and dealt with by, members of staff of suitable seniority, independent of the area from which the matter arose. All loss events or near misses that indicate a serious failure in internal processes, people or systems are reported to the Operational Risk Committee and escalated to the Group Risk Committee where appropriate. Relevant breaches of regulatory obligations, significant loss events or near misses and complaints are reported to the Compliance Committee and Boards of the relevant Subsidiary and Joint Venture Companies and Investment Trusts.

Risk Committee oversight

The key risk committees supporting the bottom up risk assessments are the Operational Risk Committee and the Counterparty Committee. The Operational Risk Committee is responsible for ensuring that operational risks are identified and appropriately managed in accordance with Baillie Gifford's policy, risk appetite and limits. It reviews the effectiveness of the operational risk framework and monitors and reports on the operational risk profile. The Counterparty Committee reviews matters relating to settlement and custodian banks including the monitoring of counterparty risk. In addition, specific risks in relation to information security are overseen by the Information Security Oversight Group.

This bottom-up approach to business risk assessment is complemented by a top-down assessment of the risk profile by the Group Risk Committee. The committee reviews reports from various committees and groups that assess the nature and extent of risks facing Baillie Gifford, including assessments of the likelihood of the risk and the effectiveness of the system of internal controls to manage those risks. The resulting risk profile is considered in relation to Baillie Gifford's risk appetite to ensure action is taken as necessary. The committee also considers emerging risks.

The Finance function is responsible for the monitoring and mitigation of financial (market, liquidity and credit) risks for the balance sheet. This process is overseen by the Group Risk Committee and the Management Committee.

Management is also required to assess the key business risks that could prevent them from achieving their departmental business plan objectives. This information is fed into the periodic review of Baillie Gifford's strategy. This process enhances the integration of risk assessment, business planning and overall strategy.

Line 3: Assurance Function

This line independently assesses the adequacy and effectiveness of the processes within lines 1 and 2 and provides periodic assurance on the control environment across Baillie Gifford. The Audit Committee also meets with external audit and considers outputs from consultants, where relevant, in making its assessment.

The role of the Internal Audit Department is to provide Baillie Gifford with independent, objective assurance on the adequacy and effectiveness of the internal risk, control and governance processes. An internal audit plan is reviewed and approved by the Audit Committee on an annual basis and is formally re-assessed, and refreshed as necessary, at the half year. Findings from internal audits are discussed and agreed with management, with review dates set for follow up of outstanding actions. A summary of findings and overdue actions is reported to the Audit Committee and Boards of the Subsidiary and Joint Venture Companies and Investment Trusts.

Other Risk Mitigants

Business Continuity Plans

Baillie Gifford has developed a comprehensive firm-wide business continuity plan, which covers the continuity of all key aspects of Baillie Gifford's operations. The plan outlines the processes, procedures and people necessary to recover and continue critical business processes in the event of a service interruption or major disaster.

The business recovery process, including the testing of the plans and facilities, is subject to supervision by the Recovery Planning Committee, supported by the Business Risk Department.

Insurance Programme

It is considered important to ensure the scope and level of insurance coverage purchased is appropriate. The principal components of the insurance programme are the professional indemnity cover, property cover and other liability cover. An annual evaluation of the scope and level of coverage of the policies together with the security of the underwriters and their ability and approach to settling claims is undertaken in conjunction with our appointed insurance brokers.

4. Capital Resources

Overview

The overall group capital resources, including the partnership share of its joint venture company, is financed by capital from Baillie Gifford & Co. The majority of this, as simple paid-up capital and reserves, qualifies as a primary level of capital (Core Tier 1 Capital) under the FCA rules. The balance, representing revaluation of assets to market value, is classified as Tier 2.

Group Capital Resources as at 30th April:

	2016 £m	2015 £m
Tier 1	162.4	134.4
Tier 2	-	1.2
	162.4	135.6

Baillie Gifford's minimum capital requirement is its Pillar 2 requirement as this exceeds its Pillar 1 requirement.

The group's Pillar 1 requirement is the higher of the Fixed Overhead Requirement and the sum of the Credit Risk and Market Risk capital requirements. These measures are calculated in accordance with criteria set by the FCA.

Credit Risk is the risk associated with failure to realise the value of our assets as a result of default on the part of the counterparty. The group's primary credit risk exposures result from fee income debtors arising in the normal course of business where the risk of default is low. Credit risk may also arise in respect of cash and short term deposits held or small seed investments in Baillie Gifford pooled vehicles. Cash balances are reviewed on a weekly basis to ensure that these are spread across a range of institutions to minimise this risk.

Market Risk is the risk of loss resulting from fluctuations in the market value of positions and asset values attributable to changes in market variables including interest rates or foreign exchange rates. The group does not undertake trading on its own account so market risk arises from exchange rate fluctuations on foreign currency assets – primarily relating to fee income debtors due from overseas clients.

Credit and Market Risk are driven by the level of trade debtors, cash and deposits. Whilst significant, these remain below our Fixed Overhead Requirement at 30th April 2016.

Transferability of Capital

The Baillie Gifford group includes Baillie Gifford Life Limited which is regulated by the Prudential Regulatory Authority and which became subject to Solvency II regulations from 1 January 2016. This company undertakes its own assessment of its capital requirements and ensures it has sufficient capital to meet these on a standalone basis.

Within the other key entities in the group (those with large amounts of capital in excess of individual Pillar 1 requirements) there are no significant practical or legal impediments to the prompt transfer of funds amongst members other than the UK Companies Act requirements in respect of declaration and payment of dividends. In the event of an anticipated shortage of capital in a particular entity, there are no anticipated impediments to prevent re-capitalisation from Baillie Gifford & Co or support from other key subsidiaries in the group.

Assessment of Capital Adequacy

Overview

To meet its Pillar 2 obligations, Baillie Gifford is required to undertake an ICAAP to assess the level of capital it considers sufficient to hold in the context of the risks of its business.

The ICAAP is owned by Baillie Gifford's Management Committee. It is fully embedded into the risk management framework and considers the significant sources of risk to capital, the adequacy of the control environment and risk mitigants, and the related capital and liquidity requirements.

Assessment Process

Exposure analysis is undertaken for each of the risk categories (operational risk, business & pensions obligations risk, credit risk, market risk and liquidity risk) to assess a severe but plausible loss. A proportionate approach is taken in quantifying and analysing risks reflecting the business model and level of complexity. The results are compared with the Pillar 1 assessment to determine Baillie Gifford's minimum capital requirement. A summary of the approach for each risk category is as follows:

Operational Risk: Defined as a loss resulting from inadequate or failed internal processes or systems, human error, or from external events. As an agency business the main risks are operational, therefore a higher degree of focus is put into this area. These risks are stress tested using scenario analysis, taking into account mitigants such as the internal control framework and insurance. Results are modelled to assess whether further capital or action is required.

Business and Pension Obligation Risks: Comprises of a reduction in profitability or a fall in value of the Defined Benefit Staff Pension Scheme. Financial stress and scenario analysis is performed, projecting results over a 5 year period with varying market levels, investment performance, client inflows/outflows and other significant risk events. These scenarios also incorporate any stressed deficit arising from Baillie Gifford's Defined Benefit Staff Pension Scheme.

Credit Risk: Defined as a loss resulting from a failed payment obligation to Baillie Gifford or placement of assets. These risks are considered under stressed conditions, taking into account the control environment and loss history. Given our Pillar 1 assessment for this risk is higher than our own risk assessment, it is used as the basis for our minimum capital requirement.

Market Risk: Represents the potential for changes in the market value of assets, comprising currency risk, interest rate risk and other price movements. As an agency asset management business with no own account trading, market risk is in the main retained with client portfolios. As a result, our Pillar 1 assessment for this risk is higher than our own risk assessment, and therefore it is used as the basis for our minimum capital requirement.

Liquidity Risk: Represents the risk of a cash shortfall due to unexpected changes in cashflows. Stress scenarios are considered taking into account the control environment and loss history. We consider both capital and liquidity requirements arising from this risk.

In addition to the above risk assessments, Baillie Gifford also performs an analysis to consider the amount of capital required to undertake an orderly wind-down of all its regulated activities. The results are verified using reverse stress tests which, although not a capital assessment tool, are used to inform and challenge the wind down scenario.

Conclusions

The review of risks, the adequacy of the control environment and risk mitigants, and the related capital and liquidity requirements is an ongoing process embedded in the risk management framework which is reflected in quarterly reporting to the Group Risk Committee and Management Committee. At the end of the financial year this assessment is presented through the ICAAP Report which is reviewed and approved by the Management Committee.

Baillie Gifford's ICAAP process shows it has adequate capital to meet all business requirements based on current business development plans, as well as maintaining a surplus over its minimum regulatory requirement.

In addition to its inclusion in the group ICAAP, Baillie Gifford Savings Management Ltd is required to prepare an ICAAP on an individual basis under the terms of CRD IV. Further disclosures on capital requirements for Baillie Gifford Savings Management Ltd are set out in the appendix. In advance of the requirements to disclose a Solvency and Financial Condition Report (SFCR) under Solvency II, as an interim measure, Baillie Gifford Life Ltd's solvency and capital position under Pillar 1 of Solvency II is set out in the appendix.

Appendix

Additional Disclosures for Baillie Gifford Savings Management Ltd under CRD IV and the Capital Requirements Regulation

Capital Requirements (including own funds)

Disclosures required by Part 8 of the Capital Requirements Regulations will be published annually in the financial statements relating to Baillie Gifford Savings Management Ltd's (BGSM's) financial year end of 31 March.

Risk Management Objectives and Policies

The business model of BGSM is relatively straightforward consisting of two objectives: to operate and distribute a range of wrapper and savings products to Baillie Gifford's individual and intermediary clients, and to undertake registration services for the collective investment schemes operated by Baillie Gifford & Co Ltd. The major risks are therefore operational in nature with virtually all of it met by Baillie Gifford & Co and the third party outsourced providers (currently IFDS and State Street) under administration agreements. Oversight of these providers is therefore key to the risk and control framework of the company. BGSM is fully embedded within the wider Baillie Gifford risk management framework with key risks identified and managed through a robust framework of internal controls, supported by professional indemnity insurance cover and its ongoing capital adequacy. Reliance is therefore placed on this risk framework and the BGSM board supplements this with its own risk and control assessment.

The Board of BGSM periodically reviews the adequacy of its risk management arrangements, and this was last conducted in November 2015 as part of its review of its ICAAP. The Board confirmed the continued adequacy of these risk management systems with regard to BGSM's risk profile and strategy.

Governance Arrangements

The management body of BGSM is its Board of Directors. The Board defines, oversees and is accountable for the implementation of governance arrangements that ensure effective and prudent management of the firm, including the segregation of duties and the prevention of conflicts of interest. These accountabilities of the Board are set out in a governance pack maintained by the Board which includes its terms of reference, and the pack is reviewed at least annually. The roles of Chairman and Chief Executive of BGSM are performed by separate members of the Board.

As BGSM is not a 'significant institution', there is no requirement for it to have a nomination committee.

Country-by-Country Reporting and Disclosure of Return on Assets

These disclosures are included in the financial statements published annually relating to BGSM's year end of 31 March.

Management Body

In addition to the disclosures provided earlier in this Pillar 3 statement, the number of directorships held by members of the management body of BGSM will be disclosed in the financial statements as at 31 March each year.

Additional Disclosures for Baillie Gifford Life Ltd (BGL) under Solvency II

Introduction

The purpose of this Statement of Solvency is to provide Baillie Gifford Life's (BGL's) clients with details of the Company's solvency and capital position under Pillar 1 of Solvency II.

Background

As of 1 January 2016, BGL is subject to the requirements of the Solvency II regulatory regime. One of the requirements of the new regime is to produce a Solvency and Financial Condition Report (SFCR) which should be disclosed publically and submitted to the Prudential Regulation Authority on an annual basis. The SFCR will include full disclosure of the Minimum Capital Requirement (MCR) and Solvency Capital Requirement (SCR) and will contain both qualitative and quantitative information including details of the Company's:

— Business and performance,

— System of governance and its adequacy given the business' risk profile,

— Risk exposures, concentration, mitigation and sensitivity,

— Assets, technical provisions and other liabilities, and

— Capital structure and capital management, including the amounts of the SCR and MCR.

As a Company with a 31 March year end, the first annual SFCR BGL is required to publish under the new regulations will be for the year ended 31 March 2017.

This Statement of Solvency, which does not contain all the information required to be disclosed within the SFCR, provides information for BGL's policyholders and other interested parties on the Company's Solvency II capital and solvency position in the interim period prior to the publication of the full report in August 2017.

Approval Process

The Statement of Solvency was approved by the BGL Board on 8 June 2016.

Solvency II Capital and Solvency Position

The table below summarises BGL's unaudited Solvency II Balance Sheet as at 31 March 2016.

Solvency II Balance Sheet at 31 March 2016	£m
Total Assets	10,993.3
Less Technical Provisions	
Best Estimate Liabilities	10,960.7
Risk Margin	0.7
Total Technical Provisions	**10,961.4**
Less	
Non-insurance Liabilities	3.9
Equals	
Own Funds	28.0

The table below summarises BGL's unaudited Pillar 1 capital position as at 31 March 2016.

Pillar I Capital Position as at 31 March 2016	£m
Own Funds	28.0
Solvency Capital Requirement (SCR)	10.3
Minimum Capital Requirement (MCR)	4.6
Ratio of Own Funds to SCR	272%
Ratio of Own Funds to MCR	604%

Figures are subject to rounding.

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