

Scottish Amicable Life plc

**Annual FSA Insurance Returns for the year ended
31 December 2004**

Statement of solvency - long-term insurance businessName of insurer **Scottish Amicable Life plc**

Global business

Financial year ended **31 December 2004**

Solo solvency calculation

	Company registration number	GL/UK/CM	Period ended			Units	
			day	month	year		
	R2	171130	GL	31	12	2004	£000
				As at end of this financial year		As at end of the previous year	
				1		2	

Capital resources

Capital resources arising within the long-term insurance fund	11		
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	12		3552
Capital resources available to cover long-term insurance business capital resources requirement (11+12)	13		3552

Guarantee fund

Guarantee fund requirement	21		2087
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22		1465

Minimum capital requirement (MCR)

Long-term insurance capital requirement	31		
Resilience capital requirement	32		
Base capital resources requirement	33		2087
Minimum capital requirement	34		2087
Excess (deficiency) of available capital resources to cover 50% of MCR	35		2509
Excess (deficiency) of available capital resources to cover 75% of MCR	36		1987

Enhanced capital requirement

With-profits insurance capital component	37		
Enhanced capital requirement	38		

Capital resources requirement (CRR)

Capital resources requirement (greater of 34 and 38)	41		2087
Excess (deficiency) of available capital resources to cover long-term insurance business CRR (13-41)	42		1465

Contingent liabilities

Quantifiable contingent liabilities in respect of long-term insurance business as shown in a supplementary note to Form 14	51		
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Covering Sheet to Form 2

Form 2

Name of insurer **Scottish Amicable Life plc**

Global business

Financial year ended **31 December 2004**

..... **G M Wood** **Chief Executive**

..... **R C Everett** **Director**

..... **D J Belsham** **Director**

March 2005

Components of capital resourcesName of insurer **Scottish Amicable Life plc**

Global business

Financial year ended **31 December 2004**

R3	Company registration number 171130	GL/UK/CM GL	Period ended			Units £000
			day	month	year	
			31	12	2004	
		General insurance business 1	Long-term insurance business 2	Total as at the end of this financial year 3	Total as at the end of the previous year 4	

Core tier one capital

Permanent share capital	11		3000	3000	
Profit and loss account and other reserves	12		552	552	
Share premium account	13				
Positive valuation differences	14				
Fund for future appropriations	15				
Core tier one in related undertakings	16				
Core tier one capital (sum of 11 to 16)	19		3552	3552	

Tier one waivers

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

Other tier one

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

Total tier one capital before deductions (19+24+25+26+27+28)	31		3552	3552	
Investments in own shares	32				
Intangible assets	33				
Amounts deducted from technical provisions for discounting	34				
Other negative valuation differences	35				
Deductions in related undertakings	36				
Deductions from tier one (32 to 36)	37				
Total tier one capital after deductions (31-37)	39		3552	3552	

Components of capital resources

Name of insurer **Scottish Amicable Life plc**

Global business

Financial year ended **31 December 2004**

R3	Company registration number	GL/UK/CM	Period ended			Units
			day	month	year	
	171130	GL	31	12	2004	£000
		General insurance business 1	Long-term insurance business 2	Total as at the end of this financial year 3	Total as at the end of the previous year 4	

Tier two capital

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

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

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

Components of capital resourcesName of insurer **Scottish Amicable Life plc**

Global business

Financial year ended **31 December 2004**

	Company registration number	GL/UK/CM	Period ended			Units
			day	month	year	
R3	171130	GL	31	12	2004	£000
		General insurance business	Long-term insurance business	Total as at the end of this financial year	Total as at the end of the previous year	
		1	2	3	4	

Total capital resources

Positive adjustments for regulated non-insurance related undertakings	71				
Total capital resources before deductions (39+69+71)	72		3552	3552	
Inadmissible assets other than intangibles and own shares	73				
Assets in excess of market risk and counterparty limits	74				
Deductions for related ancillary services undertakings	75				
Deductions for regulated non-insurance related undertakings	76				
Total deductions of ineligible surplus	77				
Total capital resources after deductions (72-73-74-75-76-77)	79		3552	3552	

Available capital resources for PRU tests

Available capital resources for Guarantee Fund requirement	81		3552	3552	
Available capital resources for 50% MCR requirement	82		3552	3552	
Available capital resources for 75% MCR requirement	83		3552	3552	

Financial engineering adjustments

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

Analysis of admissible assetsName of insurer **Scottish Amicable Life plc**

Global business

Financial year ended **31 December 2004**Category of assets **Total other than long term insurance business assets**

		Company registration number	GL/UK/CM	Period ended day month year			Units	Category of assets	
		R13	171130	GL	31	12	2004	£000	1
Investments							As at the end of this financial year	As at the end of the previous year	
							1	2	
Land and buildings					11				
Investments in group undertakings and participating interests	UK insurance business dependants	Shares	21						
		Debt securities issued by, and loans to, dependants	22						
	Other insurance dependants	Shares	23						
		Debt securities issued by, and loans to, dependants	24						
	Non-insurance dependants	Shares	25						
		Debt securities issued by, and loans to, dependants	26						
	Other group undertakings and participating interests	Shares	27						
		Debt securities issued by, and loans to, group undertakings	28						
		Participating interests	29						
		Debt securities issued by, and loans to, undertakings in which the company has a participating interest	30						
Total sheet 1 (11 to 30)					39				

Analysis of admissible assetsName of insurer **Scottish Amicable Life plc**

Global business

Financial year ended **31 December 2004**Category of assets **Total other than long term insurance business assets**

		Company registration number	GL/UK/CM	Period ended day month year			Units	Category of assets	
		R13	171130	GL	31	12	2004	£000	1
Investments (continued)							As at the end of this financial year	As at the end of the previous year	
Deposits with ceding undertakings							1	2	
Assets held to cover linked liabilities									
Other financial investments	Equity shares				41				
	Other shares and other variable yield securities				42				
	Holdings in collective investment schemes				43				
	Rights under derivative contracts				44				
	Debt securities and other fixed income securities	Fixed interest	Approved securities		45		2123		
			Other		46				
		Variable interest	Approved securities		47				
			Other		48				
	Participation in investment pools				49				
	Loans secured by mortgages				50				
	Other loans	Loans to public or local authorities and nationalised industries or undertakings				51			
		Loans secured by policies of insurance issued by the company				52			
		Other				53			
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less				54		2008	69867
		Withdrawal subject to a time restriction of more than one month				55			
Other				56					
Deposits with ceding undertakings				57					
Assets held to match linked liabilities	Index linked				58				
	Property linked				59				
Reinsurers' share of technical provisions	Provision for unearned premiums				60				
	Claims outstanding				61				
	Provision for unexpired risks				62				
	Other				63				
Total sheet 2 (41 to 63)				69		4131	69867		

Analysis of admissible assetsName of insurer **Scottish Amicable Life plc**

Global business

Financial year ended **31 December 2004**Category of assets **Total other than long term insurance business assets**

		Company registration number	GL/UK/CM	Period ended day month year			Units	Category of assets	
		R13	171130	GL	31	12	2004	£000	1
							As at the end of this financial year 1	As at the end of the previous year 2	
Debtors									
Other assets									
Debtors arising out of direct insurance operations	Policyholders				71				
	Intermediaries				72				
Salvage and subrogation recoveries				73					
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted				74				
	Due from reinsurers and intermediaries under reinsurance contracts ceded				75				
Other debtors	Due from dependants	Due in 12 months or less after the end of the financial year			76				
		Due more than 12 months after the end of the financial year			77				
	Other	Due in 12 months or less after the end of the financial year			78		59	4	
		Due more than 12 months after the end of the financial year			79				
Tangible assets				80					
Cash at bank and in hand	Deposits not subject to time restriction on withdrawal, with approved credit institutions and approved financial institutions and local authorities				81		55	1516	
	Cash in hand				82				
Other assets (particulars to be specified by way of supplementary note)				83					
Prepayments and accrued income	Accrued interest and rent				84		2		
	Deferred acquisition costs				85				
	Other prepayments and accrued income				86				
Deductions from the aggregate value of assets				87					
Total sheet 3 (71 to 86 less 87)				88		116	1520		
Grand total of admissible assets after deduction of market risk and counterparty limits (39+69+88)				89		4247	71387		

Reconciliation to asset values determined in accordance with the insurance accounts rules

Total admissible assets after deduction of market risk and counterparty limits (as per line 89 above)	91	4247	71387
Assets in excess of market and counterparty limits	92		
Capital resources requirement deduction for subsidiary undertakings which are insurance undertakings	93		
Other differences in the valuation of assets (other than for assets not valued above)	94		
Other inadmissible assets	95		
Total assets determined in accordance with the insurance accounts rules (91-95)	99	4247	71387

Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	100		
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Analysis of admissible assetsName of insurer **Scottish Amicable Life plc**

Global business

Financial year ended **31 December 2004**Category of assets **Total long term business assets**

		Company registration number	GL/UK/CM	Period ended day month year			Units	Category of assets	
		R13	171130	GL	31	12	2004	£000	10
Investments							As at the end of this financial year	As at the end of the previous year	
							1	2	
Land and buildings					11				
Investments in group undertakings and participating interests	UK insurance business dependants	Shares	21						
		Debt securities issued by, and loans to, dependants	22						
	Other insurance dependants	Shares	23						
		Debt securities issued by, and loans to, dependants	24						
	Non-insurance dependants	Shares	25						
		Debt securities issued by, and loans to, dependants	26						
	Other group undertakings and participating interests	Shares	27						
		Debt securities issued by, and loans to, group undertakings	28						
		Participating interests	29						
		Debt securities issued by, and loans to, undertakings in which the company has a participating interest	30						
Total sheet 1 (11 to 30)					39				

Analysis of admissible assetsName of insurer **Scottish Amicable Life plc**

Global business

Financial year ended **31 December 2004**Category of assets **Total long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	GL	day	month	year	£000	10	
					31	12	2004		
								As at the end of this financial year	As at the end of the previous year
								1	2
Investments (continued)									
Deposits with ceding undertakings									
Assets held to cover linked liabilities									
Other financial investments	Equity shares				41				
	Other shares and other variable yield securities				42				
	Holdings in collective investment schemes				43				
	Rights under derivative contracts				44				
	Debt securities and other fixed income securities	Fixed interest	Approved securities		45				
			Other		46				
		Variable interest	Approved securities		47				
			Other		48				
	Participation in investment pools				49				
	Loans secured by mortgages				50				
	Other loans	Loans to public or local authorities and nationalised industries or undertakings		51					
		Loans secured by policies of insurance issued by the company		52					
		Other		53					
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less		54					
		Withdrawal subject to a time restriction of more than one month		55					
Other				56					
Deposits with ceding undertakings					57				
Assets held to match linked liabilities	Index linked		58						
	Property linked		59						
Reinsurers' share of technical provisions	Provision for unearned premiums		60						
	Claims outstanding		61						
	Provision for unexpired risks		62						
	Other		63						
Total sheet 2 (41 to 63)					69				

Analysis of admissible assetsName of insurer **Scottish Amicable Life plc**

Global business

Financial year ended **31 December 2004**Category of assets **Total long term business assets**

		Company registration number	GL/UK/CM	Period ended day month year			Units	Category of assets	
		R13	171130	GL	31	12	2004	£000	10
Debtors							As at the end of this financial year	As at the end of the previous year	
Other assets							1	2	
Debtors arising out of direct insurance operations	Policyholders				71				
	Intermediaries				72				
Salvage and subrogation recoveries					73				
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted				74				
	Due from reinsurers and intermediaries under reinsurance contracts ceded				75				
Other debtors	Due from dependants	Due in 12 months or less after the end of the financial year			76				
		Due more than 12 months after the end of the financial year			77				
	Other	Due in 12 months or less after the end of the financial year			78				
		Due more than 12 months after the end of the financial year			79				
Tangible assets					80				
Cash at bank and in hand	Deposits not subject to time restriction on withdrawal, with approved credit institutions and approved financial institutions and local authorities				81				
	Cash in hand				82				
Other assets (particulars to be specified by way of supplementary note)					83				
Prepayments and accrued income	Accrued interest and rent				84				
	Deferred acquisition costs				85				
	Other prepayments and accrued income				86				
Deductions from the aggregate value of assets					87				
Total sheet 3 (71 to 86 less 87)					88				
Grand total of admissible assets after deduction of market risk and counterparty limits (39+69+88)					89				

Reconciliation to asset values determined in accordance with the insurance accounts rules

Total admissible assets after deduction of market risk and counterparty limits (as per line 89 above)	91		
Assets in excess of market and counterparty limits	92		
Capital resources requirement deduction for subsidiary undertakings which are insurance undertakings	93		
Other differences in the valuation of assets (other than for assets not valued above)	94		
Other inadmissible assets	95		
Total assets determined in accordance with the insurance accounts rules (91-95)	99		

Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	100		
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Liabilities (other than long term insurance business)Name of insurer **Scottish Amicable Life plc**

Global business

Financial year ended **31 December 2004**

		Company registration number	GL/UK/CM	Period ended			Units
		R15	GL	day	month	year	£000
		171130	GL	31	12	2004	£000
					As at the end of this financial year	As at the end of the previous year	
					1	2	
Technical provisions (gross amount)	Provision for unearned premiums		11				
	Claims outstanding		12				
	Provision for unexpired risks		13				
	Equalisation provisions	Credit business	14				
		Other than credit business	15				
	Other		16				
	Total (11 to 16)		19				
Provisions for other risks and charges	Taxation		21				
	Other		22				
Deposits received from reinsurers			31				
Creditors	Arising out of insurance operations	Direct insurance business	41				
		Reinsurance accepted	42				
		Reinsurance ceded	43				
	Debenture loans	Secured	44				
		Unsecured	45				
	Amounts owed to credit institutions		46				
	Other creditors	Taxation	47			462	467
		Recommended dividend	48				
		Other	49			233	
Accruals and deferred income			51				
Total (19 to 51)			59		695	467	
Provision for "reasonably foreseeable adverse variations"			61				
Cumulative preference share capital			62				
Subordinated loan capital			63				
Total (59 to 63)			69		695	467	
Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance			71				

Profit and loss account (non-technical account)Name of insurer **Scottish Amicable Life plc**

Global business

Financial year ended **31 December 2004**

		Company registration number	GL/UK/CM	Period ended			Units	
		R16	171130	GL	31	12	2004	£000
				This financial year	Previous year			Source
				1	2			Form Line Column
Transfer (to)/from the general insurance business technical account	From Form 20	11						20 59
	Equalisation provisions	12						
Transfer from the long term insurance business revenue account		13						40 26
Investment income	Income	14	3038				2499	
	Value re-adjustments on investments	15						
	Gains on the realisation of investments	16						
Investment charges	Investment management charges, including interest	17	29				5	
	Value re-adjustments on investments	18						
	Loss on the realisation of investments	19						
Allocated investment return transferred to the general insurance business technical account		20						20 51
Other income and charges (particulars to be specified by way of supplementary note)		21						
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29	3009				2494	
Tax on profit or loss on ordinary activities		31	903				748	
Profit or loss on ordinary activities after tax (29-31)		39	2106				1746	
Extraordinary profit or loss (particulars to be specified by way of supplementary note)		41						
Tax on extraordinary profit or loss		42						
Other taxes not shown under the preceding items		43						
Profit or loss for the financial year (39+41-(42+43))		49	2106				1746	
Dividends (paid and proposed)		51						
Profit or loss retained for the financial year (49-51)		59	2106				1746	