

BA (GI) Limited

Annual FSA Insurance Returns for the year ended

31 December 2011

IPRU(INS) Appendices 9.1, 9.2, 9.5, 9.6

Contents

Balance Sheet and Profit and Loss Account

Form 1	Statement of solvency - general insurance business	3
Form 3	Components of capital resources	5
Form 11	Calculation of general insurance capital requirement - premiums amount and brought forward amount	8
Form 12	Calculation of general insurance capital requirement - claims amount and result	9
Form 13	Analysis of admissible assets	10
Form 15	Liabilities (other than long term insurance business)	13
Form 16	Profit and loss account (non-technical account)	14

General Insurance Business: Revenue Account and Additional Information

Form 20A	Summary of business carried on	15
Form 20	Technical account (excluding equalisation provisions)	18
Form 22	Accident year accounting: Analysis of claims, expenses and technical provisions	21
Form 23	Accident year accounting: Analysis of net claims and premiums	24

Supplementary notes to the return	27
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Additional information on reinsurance business	31
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Additional information on derivative contracts	36
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Additional information on controllers	37
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Directors' Certificate	43
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Auditor's Report	44
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Statement of solvency - general insurance businessName of insurer **BA (GI) Limited**

Global business

Financial year ended **31 December 2011**

Solo solvency calculation

R1	Company registration number	GL/UK/CM	day month year			Units
			31	12	2011	
	3002	GL				£000
			As at end of this financial year			As at end of the previous year
			1			2

Capital resources

Capital resources arising outside the long-term insurance fund	11	5135	4961
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	12		
Capital resources available to cover general insurance business capital resources requirement (11-12)	13	5135	4961

Guarantee fund

Guarantee fund requirement	21	3056	3040
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22	2079	1921

Minimum capital requirement (MCR)

General insurance capital requirement	31	32	38
Base capital resources requirement	33	3056	3040
Individual minimum capital requirement	34	3056	3040
Capital requirements of regulated related undertakings	35		
Minimum capital requirement (34+35)	36	3056	3040
Excess (deficiency) of available capital resources to cover 50% of MCR	37	3607	3441
Excess (deficiency) of available capital resources to cover 75% of MCR	38	2843	2681

Capital resources requirement (CRR)

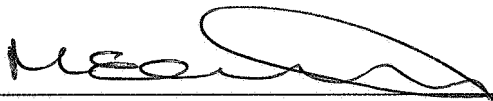
Capital resources requirement	41	3056	3040
Excess (deficiency) of available capital resources to cover general insurance business CRR (13-41)	42	2079	1921

Contingent liabilities

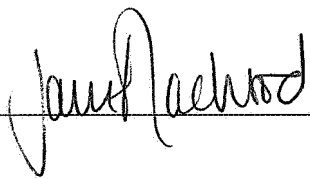
Quantifiable contingent liabilities in respect of other than long-term insurance business as shown in a supplementary note to Form 15	51		
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Covering Sheet to Form 1

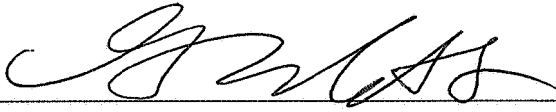
Name of insurer **BA (GI) Limited**
Global business
Financial year ended **31 December 2011**



M Ellis
Director



J E MacLeod
Director



G A Watson
For and on behalf of
Pearl Group Secretariat Services Limited
Company Secretary

Date: 20 March 2012

Components of capital resourcesName of insurer **BA (GI) Limited**

Global business

Financial year ended **31 December 2011**

	Company registration number	GL/ UK/ CM	day month year			Units
R3	3002	GL	31	12	2011	£000
		General insurance business 1	Long-term insurance business 2		Total as at the end of this financial year 3	Total as at the end of the previous year 4

Core tier one capital

Permanent share capital	11	50		50	50
Profit and loss account and other reserves	12	5085		5085	4911
Share premium account	13				
Positive valuation differences	14				
Fund for future appropriations	15				
Core tier one capital in related undertakings	16				
Core tier one capital (sum of 11 to 16)	19	5135		5135	4961

Tier one waivers

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

Other tier one capital

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

Total tier one capital before deductions (19+24+25+26+27+28)	31	5135		5135	4961
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	5135		5135	4961

Components of capital resourcesName of insurer **BA (GI) Limited**

Global business

Financial year ended **31 December 2011**

	Company registration number	GL/ UK/ CM	day month year			Units
R3	3002	GL	31	12	2011	£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 **BA (GI) Limited**

Global business

Financial year ended **31 December 2011**

R3	Company registration number	GL/UK/CM	day month year			Units
	3002	GL	31	12	2011	£000
		General insurance business 1	Long-term insurance business 2	Total as at the end of this financial year 3	Total as at the end of the previous year 4	

Total capital resources

Positive adjustments for regulated non-insurance related undertakings	71				
Total capital resources before deductions (39+69+71)	72	5135		5135	4961
Inadmissible assets other than intangibles and own shares	73				
Assets in excess of market risk and counterparty limits	74				
Deductions for related ancillary services undertakings	75				
Deductions for regulated non-insurance related undertakings	76				
Deductions of ineligible surplus capital	77				
Total capital resources after deductions (72-73-74-75-76-77)	79	5135		5135	4961

Available capital resources for GENPRU/INSRU tests

Available capital resources for guarantee fund requirement	81	5135		5135	4961
Available capital resources for 50% MCR requirement	82	5135		5135	4961
Available capital resources for 75% MCR requirement	83	5135		5135	4961

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				

Calculation of general insurance capital requirement - premiums amount and brought forward amount

Name of insurer **BA (GI) Limited**

Global business

Financial year ended **31 December 2011**

General insurance business

		Company registration number	GL/UK/CM	day month year			Units	
		R11	3002	GL	31	12	2011	£000
				This financial year			Previous year	
				1			2	
Gross premiums written				11				
Premiums taxes and levies (included in line 11)				12				
Premiums written net of taxes and levies (11-12)				13				
Premiums for classes 11, 12 or 13 (included in line 13)				14				
Premiums for "actuarial health insurance" (included in line 13)				15				
Sub-total A (13 + 1/2 14 - 2/3 15)				16				
Gross premiums earned				21				
Premium taxes and levies (included in line 21)				22				
Premiums earned net of taxes and levies (21-22)				23				
Premiums for classes 11, 12 or 13 (included in line 23)				24				
Premiums for "actuarial health insurance" (included in line 23)				25				
Sub-total H (23 + 1/2 24 - 2/3 25)				26				
Sub-total I (higher of sub-total A and sub-total H)				30				
Adjusted sub-total I if financial year is not a 12 month period to produce an annual figure				31				
Division of gross adjusted premiums amount sub-total I (or adjusted sub-total I if appropriate)	x 0.18			32				
	Excess (if any) over 57.5M EURO x 0.02			33				
Sub-total J (32-33)				34				
Claims paid in period of 3 financial years				41		125		29
Claims outstanding carried forward at the end of the 3 year period	For insurance business accounted for on an underwriting year basis			42				
	For insurance business accounted for on an accident year basis			43		1727		2031
Claims outstanding brought forward at the beginning of the 3 year period	For insurance business accounted for on an underwriting year basis			44				
	For insurance business accounted for on an accident year basis			45		1791		1771
Sub-total C (41+42+43-44-45)				46		61		289
Amounts recoverable from reinsurers in respect of claims included in Sub-total C				47				
Sub-total D (46-47)				48		61		289
Reinsurance Ratio (Sub-total D /sub-total C or, if more, 0.50 or, if less, 1.00)				49		1.00		1.00
Premiums amount (Sub-total J x reinsurance ratio)				50				
Provision for claims outstanding (before discounting and net of reinsurance)				51		1727		2031
Provision for claims outstanding (before discounting and gross of reinsurance) if both 51.1 and 51.2 are zero, otherwise zero				52				
Brought forward amount (See instruction 4)				53		32		30
Greater of lines 50 and 53				54		32		30

Calculation of general insurance capital requirement - claims amount and resultName of insurer **BA (GI) Limited**

Global business

Financial year ended **31 December 2011**

General insurance business

		Company registration number	GL/ UK/ CM	day month year			Units	
		R12	3002	GL	31	12	2011	£000
				This financial year 1			Previous year 2	
Reference period (No. of months) See INSPRU 1.1.63R				11	36			36
Claims paid in reference period				21	125			29
Claims outstanding carried forward at the end of the reference period	For insurance business accounted for on an underwriting year basis			22				
	For insurance business accounted for on an accident year basis			23	1727			2031
Claims outstanding brought forward at the beginning of the reference period	For insurance business accounted for on an underwriting year basis			24				
	For insurance business accounted for on an accident year basis			25	1791			1771
Claims incurred in reference period (21+22+23-24-25)				26	61			289
Claims incurred for classes 11, 12 or 13 (included in 26)				27	61			289
Claims incurred for "actuarial health insurance" (included in 26)				28				
Sub-total E (26 +1/2 27 - 2/3 28)				29	91			433
Sub-total F - Conversion of sub-total E to annual figure (multiply by 12 and divide by number of months in the reference period)				31	30			144
Division of sub-total F (gross adjusted claims amount)	x 0.26			32	8			38
	Excess (if any) over 40.3M EURO x 0.03			33				
Sub-total G (32-33)				39	8			38
Claims amount Sub-total G x reinsurance ratio (11.49)				41	8			38
Higher of premiums amount and brought forward amount (11.54)				42	32			30
General insurance capital requirement (higher of lines 41 and 42)				43	32			38

Analysis of admissible assetsName of insurer **BA (GI) Limited**

Global business

Financial year ended **31 December 2011**Category of assets **Total other than long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	3002	GL	31	12	2011	£000	1
					As at end of this financial year	As at end of the previous year	
					1	2	
Land and buildings			11				

Investments in group undertakings and participating interests

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

Other financial investments

Equity shares	41		
Other shares and other variable yield participations	42		
Holdings in collective investment schemes	43	7024	6974
Rights under derivative contracts	44		
Fixed interest securities	Approved	45	
	Other	46	
Variable interest securities	Approved	47	
	Other	48	
Participation in investment pools	49		
Loans secured by mortgages	50		
Loans to public or local authorities and nationalised industries or undertakings	51		
Loans secured by policies of insurance issued by the company	52		
Other loans	53		
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	
	More than one month withdrawal	55	
Other financial investments	56		
Deposits with ceding undertakings	57		
Assets held to match linked liabilities	Index linked	58	
	Property linked	59	

Analysis of admissible assetsName of insurer **BA (GI) Limited**

Global business

Financial year ended **31 December 2011**Category of assets **Total other than long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	3002	GL	31	12	2011	£000	1
					As at end of this financial year	As at end of the previous year	
					1	2	

Reinsurers' share of technical provisions

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

Debtors and salvage

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

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	62	91
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	5	7
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86		

Deductions from the aggregate value of assets	87		
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	89	7091	7072
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Analysis of admissible assetsName of insurer **BA (GI) Limited**

Global business

Financial year ended **31 December 2011**Category of assets **Total other than long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	3002	GL	31	12	2011	£000	1
					As at end of this financial year	As at end of the previous year	
					1	2	

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

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	91	7091	7072
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93		
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98		
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100		
Other asset adjustments (may be negative)	101		
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	102	7091	7072
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

Liabilities (other than long term insurance business)Name of insurer **BA (GI) Limited**

Global business

Financial year ended **31 December 2011**

	Company registration number	GL/ UK/ CM	day month year			Units	
	R15	3002	GL	31	12	2011	£000
				As at end of this financial year		As at end of the previous year	
				1	2		

Technical provisions (gross amount)

Provisions for unearned premiums	11		
Claims outstanding	12	1727	2031
Provision for unexpired risks	13		
Equalisation provisions	Credit business	14	
	Other than credit business	15	
Other technical provisions	16		
Total gross technical provisions (11 to 16)	19	1727	2031

Provisions and creditors

Provisions	Taxation	21	
	Other risks and charges	22	
Deposits received from reinsurers	31		
Creditors	Direct insurance business	41	
	Reinsurance accepted	42	
	Reinsurance ceded	43	
Debenture loans	Secured	44	
	Unsecured	45	
Amounts owed to credit institutions	46		
Creditors	Taxation	47	
	Foreseeable dividend	48	
	Other	49	229 80
Accruals and deferred income	51		
Total (19 to 51)	59	1956	2111
Provision for "reasonably foreseeable adverse variations"	61		
Cumulative preference share capital	62		
Subordinated loan capital	63		
Total (59 to 63)	69	1956	2111

Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance	71		
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Amounts deducted from technical provisions for discounting	82		
Other adjustments (may be negative)	83		
Capital and reserves	84	5135	4961
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (69-82+83+84)	85	7091	7072

Profit and loss account (non-technical account)Name of insurer **BA (GI) Limited**

Global business

Financial year ended **31 December 2011**

		Company registration number	GL/ UK/ CM	day	month	year	Units	
		R16	3002	GL	31	12	2011	£000
				This financial year			Previous year	
				1			2	
Transfer (to)/from the general insurance business technical account	From Form 20		11	177			(196)	
	Equalisation provisions		12					
Transfer from the long term insurance business revenue account			13					
Investment income	Income		14	60			52	
	Value re-adjustments on investments		15					
	Gains on the realisation of investments		16					
Investment charges	Investment management charges, including interest		17					
	Value re-adjustments on investments		18					
	Loss on the realisation of investments		19					
Allocated investment return transferred to the general insurance business technical account			20					
Other income and charges (particulars to be specified by way of supplementary note)			21				212	
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)			29	237			68	
Tax on profit or loss on ordinary activities			31	63			19	
Profit or loss on ordinary activities after tax (29-31)			39	174			49	
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	174			49	
Dividends (paid or foreseeable)			51					
Profit or loss retained for the financial year (49-51)			59	174			49	

General insurance business : Summary of business carried on

Name of insurer **BA (GI) Limited**

Global business

Financial year ended **31 December 2011**

Category number	FSA return general insurance business reporting category	Company registration number	GL/UK/CM	day month year			units
		R20A	3002	GL	31	12	2011
		Gross Premium written in this financial year	Provision for undiscounted gross claims outstanding at the end of this financial year		Provision for gross unearned premium at the end of this financial year		
		1	Reported	Incurred but not reported	4		
			2	3			
001	Total business	1	95	1000			
002	Total primary (direct) and facultative business	2	95	1000			
003	Total treaty reinsurance accepted business	3					
110	Total primary (direct) and facultative accident and health (category numbers 111 to 114)	4					
120	Total primary (direct) and facultative personal lines motor business (category numbers 121 to 123)	5					
160	Primary (direct) and facultative household and domestic all risks	6					
180	Total primary (direct) and facultative personal lines financial loss (category numbers 181 to 187)	7					
220	Total primary (direct) and facultative commercial motor business (category numbers 221 to 223)	8					
260	Total primary (direct) and facultative commercial lines property (category numbers 261 to 263)	9					
270	Total primary (direct) and facultative commercial lines liability business (category numbers 271 to 274)	10	95	1000			
280	Total primary (direct) and facultative commercial lines financial loss (category numbers 281 to 284)	11					
330	Total primary (direct) and facultative aviation (category numbers 331 to 333)	12					
340	Total primary (direct) and facultative marine (category numbers 341 to 347)	13					
350	Total primary (direct) and facultative goods in transit	14					
400	Miscellaneous primary (direct) and facultative business	15					
500	Total non-proportional treaty reinsurance business accepted (category numbers 510 to 590)	16					
600	Total proportional treaty reinsurance business accepted (category numbers 610 to 690)	17					
700	Miscellaneous treaty reinsurance accepted business	18					
	Total (lines 4 to 18)	20	95	1000			

General insurance business : Summary of business carried on

Name of insurer BA (GI) Limited

Global business

Financial year ended 31 December 2011

Category number	FSA return general insurance business reporting category	Company registration number	GL/UK/CM	day month year			units
		R20A	3002	GL	31	12	2011
		Gross Premium written in this financial year	Provision for undiscounted gross claims outstanding at the end of this financial year			Provision for gross unearned premium at the end of this financial year	
			Reported	Incurred but not reported			
		1	2	3		4	

Primary (direct) and facultative personal lines business

111	Medical insurance	21				
112	HealthCare cash plans	22				
113	Travel	23				
114	Personal accident or sickness	24				
121	Private motor - comprehensive	25				
122	Private motor - non-comprehensive	26				
123	Motor cycle	27				
160	Household and domestic all risks (equals line 6)	28				
181	Assistance	29				
182	Creditor	30				
183	Extended warranty	31				
184	Legal expenses	32				
185	Mortgage indemnity	33				
186	Pet insurance	34				
187	Other personal financial loss	35				

Primary (direct) and facultative commercial lines business

221	Fleets	41				
222	Commercial vehicles (non-fleet)	42				
223	Motor other	43				
261	Commercial property	44				
262	Consequential loss	45				
263	Contractors or engineering all risks	46				
271	Employers liability	47		95	1000	
272	Professional indemnity	48				
273	Public and products liability	49				
274	Mixed commercial package	50				
281	Fidelity and contract guarantee	51				
282	Credit	52				
283	Suretyship	53				
284	Commercial contingency	54				

Primary (direct) and facultative aviation

331	Aviation liability	61				
332	Aviation hull	62				
333	Space and satellite	63				

General insurance business : Summary of business carried on

Name of insurer BA (GI) Limited

Global business

Financial year ended 31 December 2011

Category number	FSA return general insurance business reporting category	Company registration number	GL/UK/CM	day month year			units
		R20A	3002	GL	31	12	2011
				Provision for undiscounted gross claims outstanding at the end of this financial year			Provision for gross unearned premium at the end of this financial year
		Gross Premium written in this financial year		Reported	Incurred but not reported		
		1		2	3		4

Primary (direct) and facultative marine and transport

341	Marine liability	64					
342	Marine hull	65					
343	Energy (on and off-shore)	66					
344	Protection and indemnity	67					
345	Freight demurrage and defence	68					
346	War risks	69					
347	Yacht	70					
350	Total primary (direct) and facultative goods in transit (equals line 14)	71					

Primary (direct) and facultative miscellaneous

400	Miscellaneous primary (direct) and facultative business (equals line 15)	72					
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Non-proportional treaty

510	Non-proportional accident and health	81					
520	Non-proportional motor	82					
530	Non-proportional aviation	83					
540	Non-proportional marine	84					
550	Non-proportional transport	85					
560	Non-proportional property	86					
570	Non-proportional liability (non-motor)	87					
580	Non-proportional financial lines	88					
590	Non-proportional aggregate cover	89					

Proportional treaty

610	Proportional accident and health	91					
620	Proportional motor	92					
630	Proportional aviation	93					
640	Proportional marine	94					
650	Proportional transport	95					
660	Proportional property	96					
670	Proportional liability (non-motor)	97					
680	Proportional financial lines	98					
690	Proportional aggregate cover	99					

Treaty Reinsurance Miscellaneous

700	Miscellaneous treaty reinsurance accepted business (equals line 18)	101					
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	Total (lines 21 to 101)	111		95	1000		
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General insurance business : Technical account (excluding equalisation provisions)Name of insurer **BA (GI) Limited**

Global business

Financial year ended **31 December 2011****Total business**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R20	3002	GL	31	12	2011	£000	001
Items to be shown net of reinsurance				This financial year			Previous year		
				1			2		
This year's underwriting (accident year accounting)	Earned premium (21.19.5)		11						
	Claims incurred (22.17.4)		12						
	Claims management costs (22.18.4)		13						
	Adjustment for discounting (22.52.4)		14						
	Increase in provision for unexpired risks (22.19.4)		15						
	Other technical income or charges (particulars to be specified by way of supplementary note)		16				20	96	
	Net operating expenses (22.42.4)		17						
	Balance of year's underwriting (11-12-13+14-15+16-17)		19				20	96	
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)		21						
	Claims incurred (22.13.4)		22				(228)	257	
	Claims management costs (22.14.4)		23				27		
	Adjustment for discounting (22.51.4)		24						
	Other technical income or charges (particulars to be specified by way of supplementary note)		25						
	Net operating expenses (22.41.4)		26				44	35	
	Balance (21-22-23+24+25-26)		29				157	(292)	
Balance from underwriting year accounting	Per Form 24 (24.69.99-99)		31						
	Other technical income or charges (particulars to be specified by way of supplementary note)		32						
	Total		39						
Balance of all years' underwriting (19+29+39)			49				177	(196)	
Allocated investment income			51						
Transfer to non-technical account (49+51)			59				177	(196)	

General insurance business : Technical account (excluding equalisation provisions)Name of insurer **BA (GI) Limited**

Global business

Financial year ended **31 December 2011****Total primary (direct) and facultative business**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R20	3002	GL	31	12	2011	£000	002
Items to be shown net of reinsurance				This financial year				Previous year	
				1				2	
This year's underwriting (accident year accounting)	Earned premium (21.19.5)		11						
	Claims incurred (22.17.4)		12						
	Claims management costs (22.18.4)		13						
	Adjustment for discounting (22.52.4)		14						
	Increase in provision for unexpired risks (22.19.4)		15						
	Other technical income or charges (particulars to be specified by way of supplementary note)		16				20		96
	Net operating expenses (22.42.4)		17						
	Balance of year's underwriting (11-12-13+14-15+16-17)		19				20		96
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)		21						
	Claims incurred (22.13.4)		22				(228)		257
	Claims management costs (22.14.4)		23				27		
	Adjustment for discounting (22.51.4)		24						
	Other technical income or charges (particulars to be specified by way of supplementary note)		25						
	Net operating expenses (22.41.4)		26				44		35
	Balance (21-22-23+24+25-26)		29				157		(292)
Balance from underwriting year accounting	Per Form 24 (24.69.99-99)		31						
	Other technical income or charges (particulars to be specified by way of supplementary note)		32						
	Total		39						
Balance of all years' underwriting (19+29+39)			49				177		(196)
Allocated investment income			51						
Transfer to non-technical account (49+51)			59				177		(196)

General insurance business : Technical account (excluding equalisation provisions)Name of insurer **BA (GI) Limited**

Global business

Financial year ended **31 December 2011****Balance of all primary (direct) and facultative business**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R20	3002	GL	31	12	2011	£000	409
Items to be shown net of reinsurance				This financial year				Previous year	
				1				2	
This year's underwriting (accident year accounting)	Earned premium	(21.19.5)	11						
	Claims incurred	(22.17.4)	12						
	Claims management costs	(22.18.4)	13						
	Adjustment for discounting	(22.52.4)	14						
	Increase in provision for unexpired risks (22.19.4)		15						
	Other technical income or charges (particulars to be specified by way of supplementary note)		16				20		96
	Net operating expenses	(22.42.4)	17						
	Balance of year's underwriting (11-12-13+14-15+16-17)		19				20		96
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	(21.11.5)	21						
	Claims incurred	(22.13.4)	22				(228)		257
	Claims management costs	(22.14.4)	23				27		
	Adjustment for discounting	(22.51.4)	24						
	Other technical income or charges (particulars to be specified by way of supplementary note)		25						
	Net operating expenses	(22.41.4)	26				44		35
	Balance (21-22-23+24+25-26)		29				157		(292)
Balance from underwriting year accounting	Per Form 24	(24.69.99-99)	31						
	Other technical income or charges (particulars to be specified by way of supplementary note)		32						
	Total		39						
Balance of all years' underwriting (19+29+39)			49				177		(196)
Allocated investment income			51						
Transfer to non-technical account (49+51)			59				177		(196)

General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisions

Name of company BA (GI) Limited

Global business

Financial year ended 31 December 2011

Total business

		Company registration number	GL/UK/CM	day month year			Units	Category number	
		R22	3002	GL	31	12	2011	£000	001
				Amount brought forward from previous financial year	Amount payable/receivable in this financial year		Amount carried forward to next financial year	Amount attributable to this financial year	
				1	2		3	4	
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	1399		76		1095		(228)
	Reinsurers' share	12							
	Net (11-12)	13	1399		76		1095		(228)
	Claims management costs	14	632		27		632		27
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15							
	Reinsurers' share	16							
	Net (15-16)	17							
	Claims management costs	18							
Provision for unexpired risks		19							
Net operating expenses	Commissions	21							
	Other acquisition expenses	22							
	Administrative expenses	23			44				44
	Reinsurance commissions and profit participations	24							
	Total (21+22+23-24)	29			44				44
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31							
	Reinsurers' share	32							
	Claims management costs	33							
	Total (31-32+33)	39							
Split of line 29	Prior financial years	41			44				44
	This financial year	42							
Split of line 39	Incidents occurring prior to this financial year	51							
	Incidents occurring in this financial year	52							

General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisions

Name of company BA (GI) Limited

Global business

Financial year ended 31 December 2011

Total primary (direct) and facultative business

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R22	3002	GL	31	12	2011	£000	002
				Amount brought forward from previous financial year 1	Amount payable/receivable in this financial year 2		Amount carried forward to next financial year 3	Amount attributable to this financial year 4	
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11		1399			76	1095	(228)
	Reinsurers' share	12							
	Net (11-12)	13		1399			76	1095	(228)
	Claims management costs	14		632			27	632	27
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15							
	Reinsurers' share	16							
	Net (15-16)	17							
	Claims management costs	18							
Provision for unexpired risks		19							
Net operating expenses	Commissions	21							
	Other acquisition expenses	22							
	Administrative expenses	23					44		44
	Reinsurance commissions and profit participations	24							
	Total (21+22+23-24)	29					44		44
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31							
	Reinsurers' share	32							
	Claims management costs	33							
	Total (31-32+33)	39							
Split of line 29	Prior financial years	41					44		44
	This financial year	42							
Split of line 39	Incidents occurring prior to this financial year	51							
	Incidents occurring in this financial year	52							

General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisions

Name of company BA (GI) Limited

Global business

Financial year ended 31 December 2011

Balance of all primary (direct) and facultative business

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R22	3002	GL	31	12	2011	£000	409
				Amount brought forward from previous financial year 1	Amount payable/receivable in this financial year 2		Amount carried forward to next financial year 3	Amount attributable to this financial year 4	
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	1399		76		1095	(228)	
	Reinsurers' share	12							
	Net (11-12)	13	1399		76		1095	(228)	
	Claims management costs	14	632		27		632	27	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15							
	Reinsurers' share	16							
	Net (15-16)	17							
	Claims management costs	18							
Provision for unexpired risks		19							
Net operating expenses	Commissions	21							
	Other acquisition expenses	22							
	Administrative expenses	23			44			44	
	Reinsurance commissions and profit participations	24							
	Total (21+22+23-24)	29			44			44	
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31							
	Reinsurers' share	32							
	Claims management costs	33							
	Total (31-32+33)	39							
Split of line 29	Prior financial years	41			44			44	
	This financial year	42							
Split of line 39	Incidents occurring prior to this financial year	51							
	Incidents occurring in this financial year	52							

General insurance business (accident year accounting) : Analysis of net claims and premiums

Name of insurer **BA (GI) Limited**

Global business

Financial year ended **31 December 2011**

Total primary (direct) and facultative business

Accident year ended	Month	Year	Company registration number											Units	Category number														
			R23		3002		GL		2011		£000		002																
			Claims paid (net) during the accident year		Claims outstanding (net) as at end of the accident year		Total claims paid (net) since the end of the accident year, but prior to this financial year		Claims paid (net) during this financial year		Claims outstanding carried forward		Claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6+7+8)		Deduction for discounting from claims outstanding carried forward (net)		Earned premiums (net)		Deterioration/ (surplus) of original claims reserve %		Claims ratio %						
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25		
	12	2011																											
	12	2010																											
	12	2009																											
	12	2008																											
	12	2007																											
	12	2006																											
	12	2005																											
	12	2004																											
	12	2003																											
	12	2002	1690	842	303	76	95	1000	399	1000	(228)											15	(64.0)					13286.7	
Prior accident years						76	95	1000	399	1000	(228)																		
Reconciliation																													
Total (11 to 22)						76	95	1000	399	1000	(228)																		

General insurance business (accident year accounting) : Analysis of net claims and premiums

Name of insurer **BA (GI) Limited**

Global business

Financial year ended **31 December 2011**

Balance of all primary (direct) and facultative business

Accident year ended	Company registration number		GL/UK/CM	day month year			Units	Category number									
	R23	3002		GL	31	12			2011	£000	409						
Month	Year	1	2	3	4	Claims outstanding forward		5	6	7	8	9	10	11	12	13	
		Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year, but prior to this financial year	Claims paid (net) during this financial year	Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)	Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration/ (surplus) of original claims reserve %	Claims ratio %	
12	2011																
12	2010																
12	2009																
12	2008																
12	2007																
12	2006																
12	2005																
12	2004																
12	2003																
12	2002	1690	842	303											15	(64.0)	13286.7
Prior accident years					76	95	1000	399	1000	1000		(228)					
Reconciliation																	
Total (11 to 22)					76	95	1000	399	1000	1000		(228)					

Returns under the Accounts and Statements Rules

Supplementary Notes

BA (GI) Limited

Global business

Financial year ended 31 December 2011

Notes to Appendix 9.1

0301 Reconciliation of net admissible assets to total capital resources after deductions

	2011	2010
	£'000	£'000
Admissible assets – Form 13 line 89	7,091	7,072
Less liabilities - Form 15 line 69	(1,956)	(2,111)
Net admissible assets	<u>5,135</u>	<u>4,961</u>
Capital resources after deductions – Form 3 line 79	<u>5,135</u>	<u>4,961</u>

0313 Reconciliation of the movement in profit and loss account and other reserves

	2011
	£'000
Profit and loss account and other reserves – Form 3 line 12 column 4	4,911
Profit and loss account and other reserves – Form 3 line 12 column 3	5,085
Movement	<u>174</u>
Represented by:	
Profit or loss retained for the financial year – Form 16 line 59	<u>174</u>

1305 Maximum counterparty limits

The investment guidelines in force during the year state that exposure to any one counterparty shall be subject to the following upper limits:-

- (i) Exposure (excluding short term deposits) to any counterparty to be not more than 5% of the business amount.
- (ii) Exposure (including short term deposits) to any approved counterparty to be not more than 10% of the business amount.

There were no breaches of the guidelines during the financial year.

1501 Provision for reasonably foreseeable adverse variations

The Company does not have any obligations that would give rise to a provision for reasonably foreseeable adverse variations under INSPRU 3.2.17R to 3.2.18R and does not own any assets that would give rise to valuation adjustments or reserves under GENPRU 1.3.30R to 1.3.33R.

Returns under the Accounts and Statements Rules

Supplementary Notes

BA (GI) Limited

Global business

Financial year ended 31 December 2011

Notes to Appendix 9.1 (continued)

***1502* Contingent liabilities**

- (a) There are no charges over assets.
- (b) There is no potential liability to taxation on capital gains which might arise if the insurer disposed of the assets of the other than long term business.
- (c) There are no contingent liabilities.
- (d) The insurer has no guarantees, indemnities or other contractual commitments other than those affected by the insurer in the ordinary course of its insurance business, in respect of the existing or future liabilities of related companies.
- (e) In the opinion of the Directors, there are no other fundamental uncertainties affecting the financial position of the insurer.

***1601* Basis of conversion of foreign currency**

Assets and liabilities denominated in foreign currencies are translated into sterling at rates ruling at the year end. Transactions in foreign currencies are translated at the prevailing rate at the date of the transaction. For monetary assets and liabilities the resulting exchange adjustments are included within the profit and loss account (non-technical account).

***1700* Analysis of derivative contracts**

Form 17 has been omitted because all entries are blank.

Returns under the Accounts and Statements Rules

Supplementary Notes

BA (GI) Limited

Global business

Financial year ended 31 December 2011

Notes to Appendix 9.2

***20Ae* Category 002 facultative reinsurance business**

The Company has no facultative reinsurance business included in Form 20A.

***20Ag* Analysis of gross premium written**

There have been no premiums written during 2011.

***20Aj* No new contracts effected**

The Company has not transacted any new contracts under any of the authorisation classes.

The following provides the dates when the last policy was accepted by authorisation class:

Business	Authorisation Class	Year
Accident	1	2000
Sickness	2	1996
Ships	6	2002
Fire	8	1996
All other classes	3 – 5, 7 & 9 to 17	2002

***2005* Other technical income and charges**

The amount of £20k (2010: £96k) arises from commissions received.

***2100* Premiums**

Form 21 has been omitted because all entries are blank.

***2102* Unearned premiums**

There were no unearned premiums during the year.

Returns under the Accounts and Statements Rules

Supplementary Notes

BA (GI) Limited

Global business

Financial year ended 31 December 2011

Notes to Appendix 9.2 (continued)

***2202* Claims management expenses**

Claims management costs only comprise of administration expenses.

Claims Management costs carried forward represent the relevant amount considered appropriate for the run-off of the pre 2000 book of business. This refers to those claims occurring on or before 31 December 2002 still remaining the responsibility of BA (GI) Limited. For the post 2000 book no claims management costs are carried forward, as this business exists as a direct result of the co-insurance venture of the property book, for which claims management has been outsourced and payment on each case is made in advance.

Britannic Direct business ceased to be underwritten by BA(GI) on 31 December 2002. As part of the arrangement the insurer agreed to meet all claims occurring on or after 1 January 2003. Britannic remains responsible for claims occurring on or before 31 December 2002.

***2204* Acquisition expenses**

No acquisition costs were incurred during the year.

***3700* & *3800* Omission of Forms 37 & 38**

Forms 37 and 38 have been omitted because all entries are blank.

Returns Under the Accounts and Statements Rules

Statement of major treaty reinsurers required by rule 9.25

BA (GI) Limited

Global business

Financial year ended 31 December 2011

The Company has no major treaty reinsurer.

Returns under the Accounts and Statements Rules

Statement of major facultative reinsurers required by rule 9.26

BA (GI) Limited

Global business

Financial year ended 31 December 2011

The Company has no major facultative reinsurer.

Returns under the Accounts and Statements Rules

Statement of major general business reinsurance cedants required by rule 9.27

BA (GI) Limited

Global business

Financial year ended 31 December 2011

The Company has no major reinsurance cedants.

Returns under the Accounts and Statements Rules

Statement of additional information on general insurance business ceded required by rule 9.32

BA (GI) Limited

Global business

Financial year ended 31 December 2011

There has been no contract of insurance entered into or modified during the financial year under which general insurance business has been ceded by the insurer on a non facultative basis.

All policy terms had expired prior to the start of the present financial year, and there was therefore no maximum net probable loss arising in respect of exposure in 2011.

There were no reinsurance premiums payable during the financial year.

Returns under the Accounts and Statements Rules

**Statement of additional information on financial reinsurance and financing arrangements
required by rule 9.32A**

BA (GI) Limited

Global business

Financial year ended 31 December 2011

The Company ceased writing new business in 2002 and manages the residual liabilities arising from business before that date. Reasonable enquiries have been made to confirm that the insurer has no contracts of insurance which meet the conditions in 9.32A (2).

Returns under the Accounts and Statements Rules

Statement of additional information on derivative contracts required by rule 9.29

BA (GI) Limited

Global business

Financial year ended 31 December 2011

The investment guidelines do not permit the Company to enter into any derivative contracts and it has not been a party to any such contracts during 2011.

Returns under the Accounts and Statements Rules

Statement of additional information on controllers required by rule 9.30

BA (GI) Limited

Global Business

Financial year ended 31 December 2011

The persons who, to the knowledge of the insurer, were controllers at any time during the financial year were:

- a) Pearl Life Holdings Limited;
- b) Impala Holdings Limited;
- c) Pearl Group Holdings (No. 2) Limited;
- d) Phoenix Life Holdings Limited;
- e) PGH (LCA) Limited;
- f) PGH (LCB) Limited;
- g) PGH (LC1) Limited;
- h) PGH (LC2) Limited;
- i) PGH (MC1) Limited;
- j) PGH (MC2) Limited;
- k) PGH (TC1) Limited;
- l) PGH (TC2) Limited;
- m) Phoenix Group Holdings;
- n) Xercise Limited;
- o) Alpha-Gamma Shares Limited*;
- p) Alphabet Shares Limited*;
- q) Delta Shares Limited*;
- r) Zeta Shares Limited*;
- s) Eta Shares Limited*;
- t) Theta Shares Limited*;
- u) Iota Shares Limited*;
- v) Kappa Shares Limited*;
- w) TDR Shares Limited*;
- x) Lamda Shares Limited*;
- y) Xercise 2 Limited*;
- z) Jambright Limited;
- aa) TDR Capital Nominees Limited; and
- bb) TDR Capital LLP

* approved as a controller on 6 April 2011

The persons who, to the knowledge of the insurer, were controllers at the end of the financial year were:

1. Pearl Life Holdings Limited

As at 31 December 2011, Pearl Life Holdings Limited owned 100% of the issued share capital of BA (GI) Limited and was able to exercise 100% of the voting power at any general meeting.

2. Impala Holdings Limited

As at 31 December 2011, Impala Holdings Limited owned 100% of the issued share capital of Pearl Life Holdings Limited, a company of which BA (GI) Limited is a subsidiary undertaking, and was able to exercise 100% of the voting power at any general meeting.

Returns under the Accounts and Statements Rules

Statement of additional information on controllers required by rule 9.30

BA (GI) Limited

Global Business

Financial year ended 31 December 2011

(continued)

3. Pearl Group Holdings (No. 2) Limited

As at 31 December 2011, Pearl Group Holdings (No. 2) Limited owned 75% of the issued share capital of Impala Holdings Limited, a company of which BA (GI) Limited is a subsidiary undertaking, and was able to exercise 75% of the voting power at any general meeting.

4. Phoenix Life Holdings Limited

As at 31 December 2011, Phoenix Life Holdings Limited owned 100% of the issued share capital of Pearl Group Holdings (No. 2) Limited, a company of which BA (GI) Limited is a subsidiary undertaking, and was able to exercise 100% of the voting power at any general meeting.

5. PGH (LCA) Limited

As at 31 December 2011, PGH (LCA) Limited owned 50% of the issued share capital of Phoenix Life Holdings Limited, a company of which BA (GI) Limited is a subsidiary undertaking, and was able to exercise 50% of the voting power at any general meeting.

6. PGH (LCB) Limited

As at 31 December 2011, PGH (LCB) Limited owned 50% of the issued share capital of Phoenix Life Holdings Limited, a company of which BA (GI) Limited is a subsidiary undertaking, and was able to exercise 50% of the voting power at any general meeting.

7. PGH (LC1) Limited

As at 31 December 2011, PGH (LC1) Limited owned 12.5% of the issued share capital of Impala Holdings Limited, a company of which BA (GI) Limited is a subsidiary undertaking, and was able to exercise 12.5% of the voting power at any general meeting.

8. PGH (LC2) Limited

As at 31 December 2011, PGH (LC2) Limited owned 12.5% of the issued share capital of Impala Holdings Limited, a company of which BA (GI) Limited is a subsidiary undertaking, and was able to exercise 12.5% of the voting power at any general meeting.

9. PGH (MC1) Limited

As at 31 December 2011, PGH (MC1) Limited owned 100% of the issued share capital of PGH (LC1) Limited which in turn owned 12.5% of the issued share capital of Impala Holdings Limited, a company of which BA (GI) Limited is a subsidiary undertaking. PGH (MC1) Limited was not able to exercise, or control the exercise of, any voting power at a general meeting of BA (GI) Limited or another company of which BA (GI) Limited is a subsidiary undertaking.

Returns under the Accounts and Statements Rules

Statement of additional information on controllers required by rule 9.30

BA (GI) Limited

Global Business

Financial year ended 31 December 2011

(continued)

10. PGH (MC2) Limited

As at 31 December 2011, PGH (MC2) Limited owned 100% of the issued share capital of PGH (LC2) Limited which in turn owned 12.5% of the issued share capital of Impala Holdings Limited, a company of which BA (GI) Limited is a subsidiary undertaking. PGH (MC2) Limited was not able to exercise, or control the exercise of, any voting power at a general meeting of BA (GI) Limited or another company of which BA (GI) Limited is a subsidiary undertaking.

11. PGH (TC1) Limited

As at 31 December 2011, PGH (TC1) Limited owned 100% of the issued share capital of PGH (MC1) Limited which in turn owned 100% of the issued share capital of PGH (LC1) Limited which in turn owned 12.5% of the issued share capital of Impala Holdings Limited, a company of which BA (GI) Limited is a subsidiary undertaking. PGH (TC1) Limited was not able to exercise, or control the exercise of, any voting power at a general meeting of BA (GI) Limited or another company of which BA (GI) Limited is a subsidiary undertaking.

12. PGH (TC2) Limited

As at 31 December 2011, PGH (TC2) Limited owned 100% of the issued share capital of PGH (MC2) Limited which in turn owned 100% of the issued share capital of PGH (LC2) Limited which in turn owned 12.5% of the issued share capital of Impala Holdings Limited, a company of which BA (GI) Limited is a subsidiary undertaking. PGH (TC2) Limited was not able to exercise, or control the exercise of, any voting power at a general meeting of BA (GI) Limited or another company of which BA (GI) Limited is a subsidiary undertaking.

13. Phoenix Group Holdings

As at 31 December 2011, Phoenix Group Holdings owned 100% of the issued share capital of PGH (LCA) Limited, PGH (LCB) Limited, PGH (TC1) Limited and PGH (TC2) Limited, which between them indirectly owned 100% of the ordinary shares of Impala Holdings Limited, a company of which BA (GI) Limited is a subsidiary undertaking, and was able to exercise 100% of the voting power of PGH (LCA) Limited, PGH (LCB) Limited, PGH (TC1) Limited and PGH (TC2) Limited at any general meeting of these companies.

14. Xercise Limited

As at 31 December 2011, Xercise Limited owned one share in Phoenix Group Holdings (equivalent to 0.00000057%), a company of which BA (GI) Limited is a subsidiary undertaking, and was able to exercise its voting rights in respect of the one share (equivalent to 0.00000057%) at any general meeting of Phoenix Group Holdings.

Returns under the Accounts and Statements Rules

Statement of additional information on controllers required by rule 9.30

BA (GI) Limited

Global Business

Financial year ended 31 December 2011

(continued)

15. Alpha-Gamma Shares Limited

As at 31 December 2011, Alpha-Gamma Shares Limited, which is an associate of Xercise2 Limited within the meaning of the Financial Services and Markets Act 2000 by virtue of being a subsidiary undertaking, owned 3.89% of the share capital of Phoenix Group Holdings, a company of which BA (GI) Limited is a subsidiary undertaking, and was able to exercise 3.89% of the voting power at any general meeting.

16. Alphabet Shares Limited

As at 31 December 2011, Alphabet Shares Limited, which is an associate of Xercise2 Limited within the meaning of the Financial Services and Markets Act 2000 by virtue of being a subsidiary undertaking, owned 0.43% of the share capital of Phoenix Group Holdings, a company of which BA (GI) Limited is a subsidiary undertaking, and was able to exercise 0.43% of the voting power at any general meeting.

17. Delta Shares Limited

As at 31 December 2011, Delta Shares Limited, which is an associate of Xercise2 Limited within the meaning of the Financial Services and Markets Act 2000 by virtue of being a subsidiary undertaking, owned 0.34% of the share capital of Phoenix Group Holdings, a company of which BA (GI) Limited is a subsidiary undertaking, and was able to exercise 0.34% of the voting power at any general meeting.

18. Zeta Shares Limited

As at 31 December 2011, Zeta Shares Limited, which is an associate of Xercise2 Limited within the meaning of the Financial Services and Markets Act 2000 by virtue of being a subsidiary undertaking, owned 1.14% of the share capital of Phoenix Group Holdings, a company of which BA (GI) Limited is a subsidiary undertaking, and was able to exercise 1.14% of the voting power at any general meeting.

19. Eta Shares Limited

As at 31 December 2011, Eta Shares Limited, which is an associate of Xercise2 Limited within the meaning of the Financial Services and Markets Act 2000 by virtue of being a subsidiary undertaking, owned 1.32% of the share capital of Phoenix Group Holdings, a company of which BA (GI) Limited is a subsidiary undertaking, and was able to exercise 1.32% of the voting power at any general meeting.

20. Theta Shares Limited

As at 31 December 2011, Theta Shares Limited, which is an associate of Xercise2 Limited within the meaning of the Financial Services and Markets Act 2000 by virtue of being a subsidiary undertaking, owned 0.41% of the share capital of Phoenix Group Holdings, a company of which BA (GI) Limited is a subsidiary undertaking, and was able to exercise 0.41% of the voting power at any general meeting.

Returns under the Accounts and Statements Rules

Statement of additional information on controllers required by rule 9.30

BA (GI) Limited

Global Business

Financial year ended 31 December 2011

(continued)

21. Iota Shares Limited

As at 31 December 2011, Iota Shares Limited, which is an associate of Xercise2 Limited within the meaning of the Financial Services and Markets Act 2000 by virtue of being a subsidiary undertaking, owned 0.57% of the share capital of Phoenix Group Holdings, a company of which BA (GI) Limited is a subsidiary undertaking, and was able to exercise 0.57% of the voting power at any general meeting.

22. Kappa Shares Limited

As at 31 December 2011, Kappa Shares Limited, which is an associate of Xercise2 Limited within the meaning of the Financial Services and Markets Act 2000 by virtue of being a subsidiary undertaking, owned 0.06% of the share capital of Phoenix Group Holdings, a company of which BA (GI) Limited is a subsidiary undertaking, and was able to exercise 0.06% of the voting power at any general meeting.

23. TDR Shares Limited

As at 31 December 2011, TDR Shares Limited, which is an associate of Xercise2 Limited within the meaning of the Financial Services and Markets Act 2000 by virtue of being a subsidiary undertaking, owned 0.44% of the share capital of Phoenix Group Holdings, a company of which BA (GI) Limited is a subsidiary undertaking, and was able to exercise 0.44% of the voting power at any general meeting.

24. Lamda Shares Limited

As at 31 December 2011, Lamda Shares Limited, which is an associate of Xercise2 Limited within the meaning of the Financial Services and Markets Act 2000 by virtue of being a subsidiary undertaking, owned 0.01% of the share capital of Phoenix Group Holdings, a company of which BA (GI) Limited is a subsidiary undertaking, and was able to exercise 0.01% of the voting power at any general meeting.

25. Xercise2 Limited

As at 31 December 2011, Xercise2 Limited directly owned 4.7% of the share capital of Phoenix Group Holdings, a company of which BA (GI) Limited is a subsidiary undertaking, and was able to directly exercise 4.7% of the voting power at any general meeting.

As at 31 December 2011, Xercise2 Limited and its subsidiary undertakings, which are associates within the meaning of the Financial Services and Markets Act 2000, in aggregate owned 13.3% of the share capital of Phoenix Group Holdings, a company of which BA (GI) Limited is a subsidiary undertaking, and were able to exercise 13.3% of the voting power at any general meeting.

Returns under the Accounts and Statements Rules

Statement of additional information on controllers required by rule 9.30

BA (GI) Limited

Global Business

Financial year ended 31 December 2011

(continued)

26. Jambright Limited

As at 31 December 2011, Jambright Limited, which is an associate of TDR Capital LLP within the meaning of the Financial Services and Markets Act 2000 by virtue of being a subsidiary undertaking, owned 2.6% of the share capital of Phoenix Group Holdings, a company of which BA (GI) Limited is a subsidiary undertaking, and was able to exercise 2.6% of the voting power at any general meeting.

27. TDR Capital Nominees Limited

As at 31 December 2011, TDR Capital Nominees Limited, which is an associate of TDR Capital LLP within the meaning of the Financial Services and Markets Act 2000 by virtue of being a subsidiary undertaking, owned 13.7% of the share capital of Phoenix Group Holdings, a company of which BA (GI) Limited is a subsidiary undertaking, and was able to exercise 13.7% of the voting power at any general meeting.

In addition, TDR Capital Nominees Limited's ownership of 100% of the B Ordinary class of shares in Xercise2 Limited, ultimately entitles them to the 0.44% interest in the share capital of Phoenix Group Holdings owned by TDR Shares Limited.

28. TDR Capital LLP

As at 31 December 2011, TDR Capital LLP and its subsidiary undertakings, which are associates within the meaning of the Financial Services and Markets Act 2000, in aggregate owned 16.7% of the share capital of Phoenix Group Holdings, a company of which BA (GI) Limited is a subsidiary undertaking, and were able to exercise 16.7% of the voting power at any general meeting.

Returns under the Accounts and Statements Rules

Certificate required by rule 9.34(1)

BA (GI) Limited

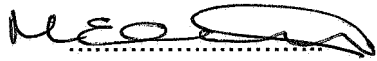
Global business

Financial year ended 31 December 2011

We certify that:

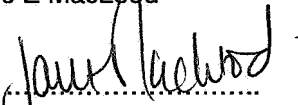
- (1) the return has been properly prepared in accordance with the requirements in IPRU(INS), GENPRU and INSPRU; and
- (2) we are satisfied, that:
 - (i) throughout the financial year, the insurer has complied in all material respects with the requirements in SYSC and PRIN as well as the provisions of IPRU(INS), GENPRU and INSPRU; and
 - (ii) it is reasonable to believe that the insurer has continued so to comply subsequently, and will continue so to comply in future.

M Ellis




.....
Director

J E MacLeod



.....
Director

G A Watson



.....
For and on behalf of
Pearl Group Secretariat
Services Limited
Company Secretary

Date: 20 March 2012

Returns under the Accounts and Statements Rules

Independent auditors' report to the directors pursuant to rule 9.35 of the Interim Prudential Sourcebook for Insurers

BA (GI) Limited

Global business

Financial year ended 31 December 2011

We have audited the following documents prepared by the insurer pursuant to the Accounts and Statements Rules set out in Part I and Part IV of Chapter 9 to IPRU(INS) the Interim Prudential Sourcebook for Insurers, GENPRU the General Prudential Sourcebook and INSPRU the Prudential Sourcebook for Insurers ("the Rules") made by the Financial Services Authority under section 138 of the Financial Services and Markets Act 2000:

- Forms 1, 3, 11 to 13, 15, 16, 20A, 20, 22 and 23 (including the supplementary notes) ("the Forms"); and
- the statements required by IPRU(INS) rules 9.25, 9.26, 9.27 and 9.29 ("the statements").

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

- the statements required by IPRU(INS) rules 9.30, 9.32 and 9.32A; and
- the certificate required by IPRU(INS) rule 9.34(1).

This report is made solely to the insurer's directors, in accordance with IPRU(INS) rule 9.35. Our audit work has been undertaken so that we might state to the insurer's directors those matters we are required by the Rules to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the insurer for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of the insurer and its auditors

The insurer is responsible for the preparation of an annual return (including the Forms and the statements) under the provisions of the Rules. Under IPRU(INS) rule 9.11 the Forms and the statements are required to be prepared in the manner specified by the Rules and to state fairly the information provided on the basis required by the Rules.

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

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

Basis of opinion

We conducted our work in accordance with Practice Note 20 'The audit of insurers in the United Kingdom (revised)' issued by the Auditing Practices Board. Our work included examination, on a test basis, of evidence relevant to the amounts and disclosures in the Forms and the statements. The evidence included that previously obtained by us relating to the audit of the financial statements of the insurer for the financial year on which we reported on 20 March 2012. It also included an assessment of the significant estimates and judgments made by the insurer in the preparation of the Forms and the statements.

21

Returns under the Accounts and Statements Rules

Independent auditors' report to the directors pursuant to rule 9.35 of the Interim Prudential Sourcebook for Insurers

BA (GI) Limited

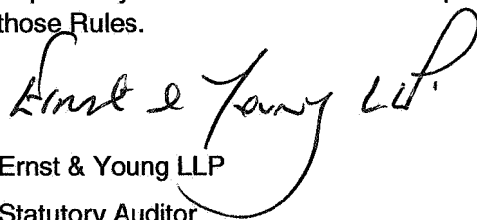
Global business

Financial year ended 31 December 2011

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

Opinion

In our opinion the Forms and the statements fairly state the information provided on the basis required by the Rules and have been properly prepared in accordance with the provisions of those Rules.

A handwritten signature in black ink that reads "Ernst & Young LLP". The signature is written in a cursive style and is positioned above the printed name of the firm.

Ernst & Young LLP

Statutory Auditor

London

21 March 2012