

BA (GI) Limited

Annual FSA Insurance Returns for the year ended

31 December 2008

Appendices 9.1, 9.2, 9.5 and 9.6

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Statement of solvency - general insurance businessName of insurer **BA (GI) Limited**

Global business

Financial year ended **31 December 2008**

Solo solvency calculation

	Company registration number	GL/ UK/ CM	day month year			Units	
	R1	3002	GL	31	12	2008	£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	4859	2594
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	4859	2594

Guarantee fund

Guarantee fund requirement	21	2518	2231
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22	2341	363

Minimum capital requirement (MCR)

General insurance capital requirement	31	30	30
Base capital resources requirement	33	2518	2231
Individual minimum capital requirement	34	2518	2231
Capital requirements of regulated related undertakings	35		
Minimum capital requirement (34+35)	36	2518	2231
Excess (deficiency) of available capital resources to cover 50% of MCR	37	3600	1479
Excess (deficiency) of available capital resources to cover 75% of MCR	38	2971	921

Capital resources requirement (CRR)

Capital resources requirement	41	2518	2231
Excess (deficiency) of available capital resources to cover general insurance business CRR (13-41)	42	2341	363

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

Form 1

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

Global business

Financial year ended **31 December 2008**



J S Moss

Chief Executive



M J Merrick

Director



J S B Smith

Director

Date **30 MARCH 2009**

Components of capital resources

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

Global business

Financial year ended **31 December 2008**

	Company registration number	GL/ UK/ CM	day month year			Units
R3	3002	GL	31	12	2008	£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	

Core tier one capital

Permanent share capital	11	50		50	50
Profit and loss account and other reserves	12	4809		4809	3320
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	4859		4859	3370

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	4859		4859	3370
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	4859		4859	3370

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

Global business

Financial year ended **31 December 2008**

	Company registration number	GL/ UK/ CM	day month year			Units
R3	3002	GL	31	12	2008	£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	

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 2008**

	Company registration number	GL/ UK/ CM	day month year			Units	
	R3	3002	GL	31	12	2008	£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	4859			4859	3370
Inadmissible assets other than intangibles and own shares	73					
Assets in excess of market risk and counterparty limits	74					776
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	4859			4859	2594

Available capital resources for GENPRU/INSRU tests

Available capital resources for guarantee fund requirement	81	4859			4859	2594
Available capital resources for 50% MCR requirement	82	4859			4859	2594
Available capital resources for 75% MCR requirement	83	4859			4859	2594

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 2008**

General insurance business

	Company registration number	GL/UK/CM	day month year			Units	
	R11	3002	GL	31	12	2008	£000
				This financial year 1		Previous year 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 53.1M EURO x 0.02		33				
Sub-total J (32-33)			34				
Claims paid in period of 3 financial years			41		44		506
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		1791		1771
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		2291		2324
Sub-total C (41+42+43-44-45)			46		(456)		(47)
Amounts recoverable from reinsurers in respect of claims included in Sub-total C			47				465
Sub-total D (46-47)			48		(456)		(512)
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		1791		1771
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		30		30
Greater of lines 50 and 53			54		30		30

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

Global business

Financial year ended **31 December 2008**

General insurance business

		Company registration number	GL/ UK/ CM	day month year			Units	
		R12	3002	GL	31	12	2008	£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	44			506
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	1791			1771
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	2291			2324
Claims incurred in reference period (21+22+23-24-25)				26	(456)			(47)
Claims incurred for classes 11, 12 or 13 (included in 26)				27				
Claims incurred for "actuarial health insurance" (included in 26)				28				
Sub-total E (26 +1/2 27 - 2/3 28)				29	(456)			(47)
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	(152)			(16)
Division of sub-total F (gross adjusted claims amount)	x 0.26			32	(40)			(4)
	Excess (if any) over 37.2M EURO x 0.03			33				
Sub-total G (32-33)				39	(40)			(4)
Claims amount Sub-total G x reinsurance ratio (11.49)				41	(40)			(4)
Higher of premiums amount and brought forward amount (11.54)				42	30			30
General insurance capital requirement (higher of lines 41 and 42)				43	30			30

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

Global business

Financial year ended **31 December 2008**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	2008	£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	8824	6251
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 2008**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	2008	£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	80	231
	due in more than 12 months	79		

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	214	
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	45	2
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86	3	

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	9166	6484
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Analysis of admissible assetsName of insurer **BA (GI) Limited**

Global business

Financial year ended **31 December 2008**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	2008	£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	9166	6484
Admissible assets in excess of market and counterparty limits	92		776
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	9166	7260
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 2008**

R15	Company registration number	GL/UK/CM	day month year			Units
	3002	GL	31	12	2008	£000
			As at end of this financial year		1	As at end of the previous year
					2	

Technical provisions (gross amount)

Provisions for unearned premiums	11		
Claims outstanding	12	1791	1771
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	1791	1771

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	71	71
Debenture loans	Secured	44		
	Unsecured	45		
Amounts owed to credit institutions	46			
Creditors	Taxation	47	2045	2046
	Foreseeable dividend	48		
	Other	49	400	
Accruals and deferred income	51		2	
Total (19 to 51)	59	4307	3890	
Provision for "reasonably foreseeable adverse variations"	61			
Cumulative preference share capital	62			
Subordinated loan capital	63			
Total (59 to 63)	69	4307	3890	

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	4859	3370
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	9166	7260

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

Global business

Financial year ended **31 December 2008**

		Company registration number	GL/ UK/ CM	day	month	year	Units	
		R16	3002	GL	31	12	2008	£000
				This financial year		Previous year		
				1		2		
Transfer (to)/from the general insurance business technical account	From Form 20		11	348		1726		
	Equalisation provisions		12			155		
Transfer from the long term insurance business revenue account			13					
Investment income	Income		14	233		2838		
	Value re-adjustments on investments		15	1156		485		
	Gains on the realisation of investments		16			12		
Investment charges	Investment management charges, including interest		17					
	Value re-adjustments on investments		18	719				
	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	6100		(3000)		
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)			29	7118		2216		
Tax on profit or loss on ordinary activities			31	2029		1565		
Profit or loss on ordinary activities after tax (29-31)			39	5089		651		
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	5089		651		
Dividends (paid or foreseeable)			51	3600		137819		
Profit or loss retained for the financial year (49-51)			59	1489		(137168)		

General insurance business : Summary of business carried on

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

Global business

Financial year ended **31 December 2008**

Category number	FSA return general insurance business reporting category	Company registration number		GL/ UK/ CM	day month year			units
		R20A	3002	GL	31	12	2008	£000
		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	Incurring but not reported					
		1	2	3	4			
1	Total business	1	159	1000				
2	Total primary (direct) and facultative business	2	159	1000				
3	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	159	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	159	1000				

General insurance business : Summary of business carried on

Name of insurer **BA (GI) Limited**
 Global business
 Financial year ended **31 December 2008**

Category number	FSA return general insurance business reporting category	Company registration number	GL/UK/CM	day month year			units
		R20A	3002	GL	31	12	2008
		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	3		4
			2	3			

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	159	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 2008**

Category number	FSA return general insurance business reporting category	Company registration number	GL/UK/CM	day month year			units
		R20A	3002	GL	31	12	2008
		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			

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		159	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 2008****Total business**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R20	3002	GL	31	12	2008	£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					375	1248	
	Net operating expenses (22.42.4)	17							
	Balance of year's underwriting (11-12-13+14-15+16-17)	19					375	1248	
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21							
	Claims incurred (22.13.4)	22				27	(478)		
	Claims management costs (22.14.4)	23							
	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							
	Balance (21-22-23+24+25-26)	29					(27)	478	
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					348	1726	
Allocated investment income		51							
Transfer to non-technical account (49+51)		59					348	1726	

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

Global business

Financial year ended **31 December 2008****Total primary (direct) and facultative business**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R20	3002	GL	31	12	2008	£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				375	1248	
	Net operating expenses (22.42.4)		17						
	Balance of year's underwriting (11-12-13+14-15+16-17)		19				375	1248	
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)		21						
	Claims incurred (22.13.4)		22				27	(478)	
	Claims management costs (22.14.4)		23						
	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						
	Balance (21-22-23+24+25-26)		29				(27)	478	
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				348	1726	
Allocated investment income			51						
Transfer to non-technical account (49+51)			59				348	1726	

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

Global business

Financial year ended **31 December 2008****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	2008	£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				375	1248
	Net operating expenses (22.42.4)		17					
	Balance of year's underwriting (11-12-13+14-15+16-17)		19				375	1248
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)		21					
	Claims incurred (22.13.4)		22				27	(478)
	Claims management costs (22.14.4)		23					
	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					
	Balance (21-22-23+24+25-26)		29				(27)	478
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			348	1726	
Allocated investment income			51					
Transfer to non-technical account (49+51)			59			348	1726	

General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisionsName of company **BA (GI) Limited**

Global business

Financial year ended **31 December 2008****Total business**

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R22	3002	GL	31	12	2008	£000	001
				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		1139	7			1159	27
	Reinsurers' share	12							
	Net (11-12)	13		1139	7			1159	27
	Claims management costs	14		632				632	
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							
	Reinsurance commissions and profit participations	24							
	Total (21+22+23-24)	29							
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							
	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 provisionsName of company **BA (GI) Limited**

Global business

Financial year ended **31 December 2008****Total primary (direct) and facultative business**

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R22	3002	GL	31	12	2008	£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	1139		7		1159	27	
	Reinsurers' share	12							
	Net (11-12)	13	1139		7		1159	27	
	Claims management costs	14	632				632		
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							
	Reinsurance commissions and profit participations	24							
	Total (21+22+23-24)	29							
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							
	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 provisionsName of company **BA (GI) Limited**

Global business

Financial year ended **31 December 2008****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	2008	£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		1139	7			1159	27
	Reinsurers' share	12							
	Net (11-12)	13		1139	7			1159	27
	Claims management costs	14		632				632	
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							
	Reinsurance commissions and profit participations	24							
	Total (21+22+23-24)	29							
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							
	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 2008**

Total business

Accident year ended	Month	Year	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		Company registration number	GL/UK/CM	day month year			Units	Category number		
			1	2				3	4	5	6			7	8	9			10	31
12	2008	11																		
12	2007	12																		
12	2006	13																		
12	2005	14																		
12	2004	15																		
12	2003	16																		
12	2002	17	1690	842	296	7									15	(64.0)	13286.7			
12	2001	18	1747	1090	911										5581	(5.9)	49.7			
12	2000	19	4330	2611	1751										10892	(27.4)	57.2			
12	1999	20	5095	1917	2195										13531	17.6	54.3			
Prior accident years							159	680	139	680										
Reconciliation																				
Total (11 to 22)						7	159	1000	139	1000										

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 2008**

Total primary (direct) and facultative business

Accident year ended	Month	Year	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)	GL/UK/ CMI	day month year		Units	Category number	
			1	2				3	4	5	6			7	8			9
	12	2008	11															
	12	2007	12															
	12	2006	13															
	12	2005	14															
	12	2004	15															
	12	2003	16															
	12	2002	17	1690	842	296	7					7			15	(64.0)	13286.7	
	12	2001	18	1747	1090	911		115							5581	(5.9)	49.7	
	12	2000	19	4330	2611	1751		145							10892	(27.4)	57.2	
	12	1999	20	5095	1917	2195		60							13531	17.6	54.3	
Prior accident years			21				159	680	139	680	20							
Reconciliation			22															
Total (11 to 22)			29			7	159	1000	139	1000	27							

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 2008**

Balance of all primary (direct) and facultative business

Accident year ended	Month	Year	Company registration number		GL/UK/CM	day month year		Units	Category number							
			R23	3002		31	12			2008	£000					
			Claims outstanding brought forward		Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration/ (surplus) of original claims reserve %	Claims ratio %								
			Reported (net)	Incurred but not reported (net)												
			Claims outstanding carried forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	3002	GL	31	12	2008	£000	409				
			Reported (net)	Incurred but not reported (net)												
			Claims paid (net) during this financial 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 brought forward	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
12	2008	11														
12	2007	12														
12	2006	13														
12	2005	14														
12	2004	15														
12	2003	16														
12	2002	17	1690	842	296	7				7	15	(64.0)	13286.7			
12	2001	18	1747	1090	911						5581	(5.9)	49.7			
12	2000	19	4330	2611	1751						10892	(27.4)	57.2			
12	1999	20	5095	1917	2195						13531	17.6	54.3			
Prior accident years							159	680	139	680						
Reconciliation																
Total (11 to 22)						7	159	1000	139	1000						

Returns under the Accounts and Statements Rules

Supplementary Notes

BA (GI) Limited

Global business

Financial year ended 31 December 2008

Notes to Appendix 9.1

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

	2008	2007
	£'000	£'000
Admissible assets – Form 13 line 89	9,166	6,484
Less liabilities - Form 15 line 69	(4,307)	(3,890)
Net admissible assets	<u>4,859</u>	<u>2,594</u>
Capital resources after deductions – Form 3 line 79	<u>4,859</u>	<u>2,594</u>

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

	2008
	£'000
Profit and loss account and other reserves – Form 3 line 12 column 4	(3,320)
Profit and loss account and other reserves – Form 3 line 12 column 3	4,809
Movement	<u>1,489</u>
Represented by:	
Profit or loss retained for the financial year – Form 16 line 59	<u>1,489</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 insurer does not own any assets that would give rise to a provision for reasonably foreseeable adverse variations or 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 2008

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).

***1603* Other income and charges**

The other income in the year of £6.1m was received in May 2008 from Lloyds TSB in respect of the sale of the rights to renew and underwrite business written through a co-insurance venture in exchange for giving up the rights to any future commission income.

For 2007 the other charges of £3.0m represented a loss on the Part VII transfer.

***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 2008

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 2008.

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 £0.4m arises from income received from a co-insurance venture which utilised the Company's portfolio of property insurance policies which the Company had previously underwritten.

2007 Material connected party transactions

An amount of £3.6 million was paid as a dividend to Pearl Life Holdings Limited.

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 2008

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.

All Britannic Direct business was transferred 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 2008

Reinsurer's details As required by Rule 9.25: (Para 1(a))	Connection (Para 1(b))	Proportional reinsurance treaties (Para 1(c)(i)) £000	Non-proportional reinsurance treaties (Para 1(c)(ii)) £000	Debts outstanding included at F15 L75 (Para 1(d)) £000	Deposits received included at F15 L31 (Para 1(e)) £000	Anticipated recoveries (Para 1(f)) £000	Comments
Swiss Reinsurance Company UK Limited 71-77 Leadenhall Street London EC31 2PQ UK	None	Nil	Nil	Nil	Nil	Nil	Nil
The Cologne Reinsurance Company Limited Cologne House 13 Haydon Street London EC3A 3HA UK	None	Nil	Nil	Nil	Nil	Nil	Nil

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 2008

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 2008

The Company has no major reinsurance cedants.

Returns under the Accounts and Statements Rules

Statement required by rule 9.32

BA (GI) Limited

Global business

Financial year ended 31 December 2008

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 2008.

There were no reinsurance premiums payable during the financial year.

Returns under the Accounts and Statements Rules

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

BA (GI) Limited

Global business

Financial year ended 31 December 2008

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 2008

The investment guidelines do not permit the Company to enter into any derivative contracts.

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 2008

- (1) The persons who, to the knowledge of the Company, were controllers at any time during the financial year were:
- (a) Pearl Life Holdings Limited (formerly Resolution Life Limited);
 - (b) Pearl Group Holdings (No.1) Limited (formerly Resolution plc) (ceased to be a controller on 31 December 2008);
 - (c) Impala Holdings Limited;
 - (d) Pearl Assurance plc;
 - (e) Pearl Group Limited;
 - (f) Sun Capital Investments Limited;
 - (g) Hera Investments One Limited;
 - (h) Sun Capital Investments No.2 Limited
 - (i) Hera Investments No. 2 Limited
 - (j) Xercise Limited (ceased to be a controller on 16 April 2008);
 - (k) Jambright Limited (ceased to be a controller on 16 April 2008);
 - (l) Hugh Osmond, Alan McIntosh, Matthew Allen, Edward Spencer-Churchill, Marc Jonas (ceased to be controllers on 16 April 2008);
 - (m) TDR Capital Nominees Limited (ceased to be a controller on 16 April 2008); and
 - (n) TDR Capital LLP (ceased to be a controller on 16 April 2008).
- (2) The persons who, to the knowledge of the Company, were controllers at the end of the financial year were:
- (a) Pearl Life Holdings Limited (formerly Resolution Life Limited)

As at 31 December 2008, Pearl Life Holdings Limited owned 100% of the shares of Phoenix Life Limited and was able to exercise 100% of the voting power at any general meeting.
 - (b) Impala Holdings Limited

As at 31 December 2008, Impala Holdings Limited owned 100% of the shares of Pearl Life Holdings Limited, a company of which Phoenix Life Limited is a subsidiary undertaking and was able to exercise 100% of the voting power at any general meeting.
 - (c) Pearl Group Limited

As at 31 December 2008, Pearl Group Limited owned 75% of the shares of Impala Holdings Limited, a company of which Phoenix Life Limited is a subsidiary undertaking and was able to exercise 75% of the voting power at any general meeting.
 - (d) Sun Capital Investments Limited

As at 31 December 2008, Sun Capital Investments Limited owned 50% of the ordinary shares of Pearl Group Limited, a company of which Phoenix Life Limited is a subsidiary undertaking, and was able to exercise 50% of the voting power at any general meeting.
 - (e) Hera Investments One Limited

As at 31 December 2008, Hera Investments One Limited owned 50% of the ordinary shares of Pearl Group Limited, a company of which Phoenix Life Limited is a subsidiary undertaking, and was able to exercise 50% 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 2008

(Controllers at the end of the financial year – continued)

(f) Sun Capital Investments No. 2 Limited

As at 31 December 2008, Sun Capital Investments No.2 Limited owned 12.5% of the ordinary shares of Impala Holdings Limited, a company of which Phoenix Life Limited is a subsidiary undertaking, and was able to exercise 12.5% of the voting power at any general meeting.

(g) Hera Investments No.2 Limited

As at 31 December 2008, Hera Investments No.2 Limited owned 12.5% of the ordinary shares of Impala Holdings Limited, a company of which Phoenix Life Limited is a subsidiary undertaking, and was able to exercise 12.5% 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 2008


We certify that:

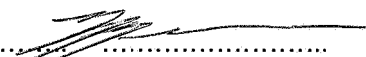
- (1) the return has been properly prepared in accordance with the requirements in IPRU(INS), GENPRU and INSPRU; and
- (2) we are satisfied, save as disclosed in the note to the attached note to the certificate, that:
 - (i) throughout the financial year, the insurer has complied in all material respects 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.

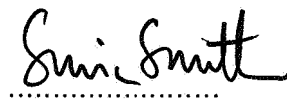
J S Moss

M J Merrick

J S B Smith


.....
Chief Executive


.....
Director


.....
Director

Date: 30 MARCH 2009 .

Returns under the Accounts and Statements Rules

Certificate required by rule 9.34(1)

BA (GI) Limited

Global business

Financial year ended 31 December 2008

Notes to the Directors' Certificate

1 Compliance with the provisions of INSPRU

Paragraph (2) requires that the insurer has complied in all material respects with the requirements in INSPRU. In November 2008 the insurer informed the FSA that it was in technical breach of its Group Capital Adequacy ("GCA") obligations.

To rectify the situation, Impala Holdings Limited ("IHL"), a fellow subsidiary, carried out a capital restructuring in which £2,598m was repaid to Sun Capital Investments 2 Limited and Hera Investments 2 Limited in settlement of existing subordinated debt obligations, together with accrued interest. This was settled by IHL through the issue of 2 new ordinary C shares for consideration of £1,600m and £998m of new subordinated debt. In addition to this, the insurer applied for a waiver, which was granted by the FSA and which provides relief in respect of one of the capital restrictions within the GCA calculation and enables the insurer to meet its GCA requirements. The insurer has continued to meet its GCA requirements since that date.

The waiver expires on 30 April 2009. Regular dialogue is continuing with the FSA regarding the capital position of the Pearl Group Limited Group ("PGL Group") and it is intended that a waiver extension will be requested. In the event that the waiver is not extended the PGL Group is able to restructure the term of the C shares referred to above such that there is no requirement for the waiver.

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 2008

We have examined the following documents prepared by the insurer pursuant to the Accounts and Statements Rules set out in Chapter 9 of 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 examine and do not express an opinion on the following:

- the statements required by IPRU(INS) rules 9.30, 9.32 and 9.32A ; and
- the certificate signed in accordance with 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 examination 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 auditors' 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 examination, 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, the insurer has not kept proper accounting records or if we have not received all the information we require for our examination.

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 31 March 2009. It also included an assessment of the significant estimates and judgments made by the insurer in the preparation of the Forms and the statement.

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 2008

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 statement 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.

Ernst & Young LLP.
Ernst & Young LLP
Registered Auditor
London

Date: 31/3/09