

Rothesay Life Limited

Annual FSA Insurance Returns for the year ended

30 November 2007

Appendices

Statement of solvency - long-term insurance businessName of insurer **Rothesay Life Limited**

Global business

Financial year ended **30 November 2007**

Solo solvency calculation

| | Company registration number | GL/UK/CM | day month year | | | Units |
|--|-----------------------------|----------|----------------|----------------------------------|----|--------------------------------|
| | R2 | 466067 | GL | 30 | 11 | 2007 |
| | | | | As at end of this financial year | | As at end of the previous year |
| | | | | 1 | | 2 |

Capital resources

| | | | |
|---|----|--|------|
| Capital resources arising within the long-term insurance fund | 11 | | |
| Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund | 12 | | 8918 |
| Capital resources available to cover long-term insurance business capital resources requirement (11+12) | 13 | | 8918 |

Guarantee fund

| | | | |
|--|----|--|------|
| Guarantee fund requirement | 21 | | 2139 |
| Excess (deficiency) of available capital resources to cover guarantee fund requirement | 22 | | 6779 |

Minimum capital requirement (MCR)

| | | | |
|--|----|--|------|
| Long-term insurance capital requirement | 31 | | |
| Resilience capital requirement | 32 | | |
| Base capital resources requirement | 33 | | 2139 |
| Individual minimum capital requirement | 34 | | 2139 |
| Capital requirements of regulated related undertakings | 35 | | |
| Minimum capital requirement (34+35) | 36 | | 2139 |
| Excess (deficiency) of available capital resources to cover 50% of MCR | 37 | | 7848 |
| Excess (deficiency) of available capital resources to cover 75% of MCR | 38 | | 7314 |

Enhanced capital requirement

| | | | |
|--|----|--|--|
| With-profits insurance capital component | 39 | | |
| Enhanced capital requirement | 40 | | |

Capital resources requirement (CRR)

| | | | |
|--|----|--|------|
| Capital resources requirement (greater of 36 and 40) | 41 | | 2139 |
| Excess (deficiency) of available capital resources to cover long-term insurance business CRR (13-41) | 42 | | 6779 |

Contingent liabilities

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

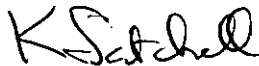
Name of insurer **Rothesay Life Limited**

Global business

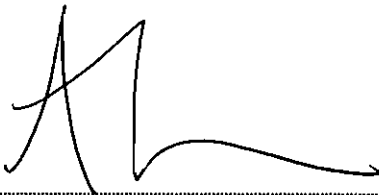
Financial year ended **30 November 2007**



Director



Director



Director

Date

Components of capital resources

Name of insurer **Rothesay Life Limited**

Global business

Financial year ended **30 November 2007**

| | Company registration number | GL/UK/CM | day month year | | | Units |
|----|-----------------------------|----------------------------|------------------------------|--|--|-------|
| R3 | 466067 | GL | 30 | 11 | 2007 | £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 | | 10000 | 10000 | |
| Profit and loss account and other reserves | 12 | | (448) | (448) | |
| 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 | | 9552 | 9552 | |

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 | | 9552 | 9552 | |
| 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 | | 9552 | 9552 | |

Components of capital resources

Name of insurer **Rothesay Life Limited**

Global business

Financial year ended **30 November 2007**

| | Company registration number | GL/UK/CM | day month year | | | Units | |
|--|-----------------------------|----------|---------------------------------|-----------------------------------|---|---|------|
| | R3 | 466067 | GL | 30 | 11 | 2007 | £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 resources

Name of insurer **Rothesay Life Limited**

Global business

Financial year ended **30 November 2007**

| Company registration number | GL/UK/CM | day month year | | | Units | |
|-----------------------------|---------------|--|--|--|--|-------------|
| R3 | 466067 | GL | 30 | 11 | 2007 | £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 | | 9552 | 9552 | |
| Inadmissible assets other than intangibles and own shares | 73 | | 634 | 634 | |
| 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 | | 8918 | 8918 | |

Available capital resources for GENPRU/INSPRU tests

| | | | | | |
|--|-----------|--|------|------|--|
| Available capital resources for guarantee fund requirement | 81 | | 8918 | 8918 | |
| Available capital resources for 50% MCR requirement | 82 | | 8918 | 8918 | |
| Available capital resources for 75% MCR requirement | 83 | | 8918 | 8918 | |

Financial engineering adjustments

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

Analysis of admissible assets

Name of insurer **Rothesay Life Limited**

Global business

Financial year ended **30 November 2007**

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 | 466067 | GL | 30 | 11 | 2007 | £000 |
| | | | | | | 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 | |
| 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 | 91 |
| | 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 assets

Name of insurer **Rothesay Life Limited**

Global business

Financial year ended **30 November 2007**

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 | 466067 | GL | 30 | 11 | 2007 | £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 | | |
| Cash in hand | 82 | | |
| Other assets (particulars to be specified by way of supplementary note) | 83 | | |
| Accrued interest and rent | 84 | 44 | |
| Deferred acquisition costs (general business only) | 85 | | |
| Other prepayments and accrued income | 86 | | |

| | | | |
|---|----|--|--|
| Deductions from the aggregate value of assets | 87 | | |
|---|----|--|--|

| | | | |
|--|----|------|--|
| Grand total of admissible assets after deduction of market risk and counterparty limits (11 to 86 less 87) | 89 | 8959 | |
|--|----|------|--|

Analysis of admissible assets

Name of insurer **Rothesay Life Limited**

Global business

Financial year ended **30 November 2007**

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 | 466067 | 30 | 11 | 2007 | £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 its external financial reporting

| | | | |
|---|-----|------|--|
| Total admissible assets after deduction of market risk and counterparty limits (as per line 89 above) | 91 | 8959 | |
| Assets in excess of market and counterparty limits | 92 | | |
| Capital resources requirement deduction of regulated related undertakings | 93 | | |
| Ineligible surplus capital and restricted assets in regulated related insurance undertakings | 94 | | |
| Inadmissible assets of regulated related insurance undertakings | 95 | | |
| Book value of related ancillary services undertakings | 96 | | |
| Other differences in the valuation of assets (other than for assets not valued above) | 97 | 634 | |
| Deferred acquisition costs excluded from line 89 | 98 | | |
| Reinsurers' share of technical provisions excluded from line 89 | 99 | | |
| Other asset adjustments (may be negative) | 100 | | |
| 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 100) | 101 | 9593 | |

| | | | |
|---|-----|--|--|
| Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance | 102 | | |
|---|-----|--|--|

Liabilities (other than long term insurance business)Name of insurer **Rothesay Life Limited**

Global business

Financial year ended **30 November 2007**

| R15 | Company registration number | GL/UK/CM | day month year | | | Units |
|-----|-----------------------------|-----------|----------------------------------|-----------|--------------------------------|-------------|
| | | | 30 | 11 | 2007 | |
| | 466067 | GL | 30 | 11 | 2007 | £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 | | |
| 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 | | |

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 | | |
| | Declared dividend | 48 | | |
| | Other | 49 | | |
| Accruals and deferred income | | 51 | | 41 |
| Total (19 to 51) | | 59 | | 41 |
| Provision for "reasonably foreseeable adverse variations" | | 61 | | |
| Cumulative preference share capital | | 62 | | |
| Subordinated loan capital | | 63 | | |
| Total (59 to 63) | | 69 | | 41 |

| | | | | |
|---|-----------|--|--|--|
| Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance | 71 | | | |
|---|-----------|--|--|--|

| | | | | |
|---|-----------|--|------|--|
| Reinsurers' share of DAC | 81 | | | |
| Amounts deducted from technical provisions for discounting | 82 | | | |
| Other adjustments (may be negative) | 83 | | | |
| Capital and reserves | 84 | | 9552 | |
| Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (69+81-82+83+84) | 85 | | 9593 | |

Profit and loss account (non-technical account)Name of insurer **Rothesay Life Limited**

Global business

Financial year ended **30 November 2007**

| | | Company registration number | GL/UK/CM | day | month | year | Units | |
|---|---|-----------------------------|---------------|---------------------|-----------|-----------|---------------|-------------|
| | | R16 | 466067 | GL | 30 | 11 | 2007 | £000 |
| | | | | This financial year | | | Previous year | |
| | | | | 1 | | | 2 | |
| Transfer (to)/from the general insurance business technical account | From Form 20 | | 11 | | | | | |
| | Equalisation provisions | | 12 | | | | | |
| Transfer from the long term insurance business revenue account | | | 13 | | | | | |
| Investment income | Income | | 14 | | | 228 | | |
| | 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 | | | (676) | | |
| Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21) | | | 29 | | | (448) | | |
| Tax on profit or loss on ordinary activities | | | 31 | | | | | |
| Profit or loss on ordinary activities after tax (29-31) | | | 39 | | | (448) | | |
| 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 | | | (448) | | |
| Dividends (paid or declared) | | | 51 | | | | | |
| Profit or loss retained for the financial year (49-51) | | | 59 | | | (448) | | |

ROTHESAY LIFE LIMITED

For the period ended 30 November 2007

NOTES ON OMITTED FORMS TO THE RETURN

Form 14

1400 Long-term insurance business liabilities and margins

This form has been omitted from the Return as no long term business was written prior to the period ended 30 November, 2007.

Form 17

1700 Analysis of derivative contracts

This form has been omitted from the Return as no derivative contracts exist for the period ended 30 November, 2007.

Form 40

4000 Long-term insurance business: Revenue account

This form has been omitted from the Return as no long term business was written prior to the period ended 30 November, 2007.

Form 41

4100 Long-term insurance business: Analysis of premiums

This form has been omitted from the Return as no long term business was written prior to the period ended 30 November, 2007.

Form 42

4200 Long-term insurance business: Analysis of claims

This form has been omitted from the Return as no long term business was written prior to the period ended 30 November, 2007.

Form 43

4300 Long-term insurance business: Analysis of expenses

This form has been omitted from the Return as no long term business was written prior to the period ended 30 November, 2007.

ROTHESAY LIFE LIMITED

For the period ended 30 November 2007

NOTES ON OMITTED FORMS TO THE RETURN

Form 44

4400 Long-term insurance business: Linked funds balance sheet

This form has been omitted from the Return as no long term business was written prior to the period ended 30 November, 2007.

Form 45

4500 Long-term insurance business: Revenue account for internal linked funds

This form has been omitted from the Return as no long term business was written prior to the period ended 30 November, 2007.

Form 46

4600 Long-term insurance business: Summary of new business

This form has been omitted from the Return as no new business was written prior to the period ended 30 November, 2007.

Form 47

4700 Long-term insurance business: Analysis of new business

This form has been omitted from the Return as no new business was written prior to the period ended 30 November, 2007.

Form 48

4800 Long-term insurance business: Non-linked assets

This form has been omitted from the Return as no long term business was written prior to the period ended 30 November, 2007.

Form 49

4900 Long-term insurance business: Fixed and variable interest assets

This form has been omitted from the Return as no long term business was written prior to the period ended 30 November, 2007.

ROTHESAY LIFE LIMITED

For the period ended 30 November 2007

NOTES ON OMITTED FORMS TO THE RETURN

Form 50

5000 Long-term insurance business: Summary of mathematical reserves

This form has been omitted from the Return as no long term business was written prior to the period ended 30 November, 2007.

Form 51

5100 Long-term insurance business: Valuation summary of non-linked contracts

This form has been omitted from the Return as no long term business was written prior to the period ended 30 November, 2007.

Form 52

5200 Long-term insurance business: Valuation summary of accumulating with-profits contracts

This form has been omitted from the Return as no long term business was written prior to the period ended 30 November, 2007.

Form 53

5300 Long-term insurance business: Valuation summary of property linked contracts

This form has been omitted from the Return as no long term business was written prior to the period ended 30 November, 2007.

Form 54

5400 Long-term insurance business: Valuation summary of index linked contracts

This form has been omitted from the Return as no long term business was written prior to the period ended 30 November, 2007.

Form 55

5500 Long-term insurance business: Unit prices for internal linked funds

This form has been omitted from the Return as no long term business was written prior to the period ended 30 November, 2007.

ROTHESAY LIFE LIMITED

For the period ended 30 November 2007

NOTES ON OMITTED FORMS TO THE RETURN

Form 56

5600 Long-term insurance business: Index linked business

This form has been omitted from the Return as no long term business was written prior to the period ended 30 November, 2007.

Form 57

5700 Long-term insurance business: Analysis of valuation interest rate

This form has been omitted from the Return as no long term business was written prior to the period ended 30 November, 2007.

Form 58

5800 Long-term insurance business: Distribution of surplus

This form has been omitted from the Return as no long term business was written prior to the period ended 30 November, 2007.

Form 59

5900 Long-term insurance business: With-profits payouts

This form has been omitted from the Return as no long term business was written prior to the period ended 30 November, 2007.

Form 60

6000 Long-term insurance capital requirement

This form has been omitted from the Return as no long term business was written prior to the period ended 30 November, 2007.

ROTHESAY LIFE LIMITED

For the period ended 30 November 2007

VALUATION REPORT

Valuation Report required by Rule 9.31 of the Prudential Sourcebook for Insurers in accordance with Appendix 9.4

1. Introduction

- 1) An actuarial investigation has not been performed for the period ended 30 November 2007, as Rothesay Life Limited did not write any Long Term or General insurance business for this period.
- 2) A previous investigation has not been performed.
- 3) Interim valuations have not taken place.

2. Product Range

There have been no new products, new bonus series, products withdrawn, or changes to options or guarantees under existing products.

3. Discretionary charges and benefits

- 1) Not applicable
- 2) None
- 3) None
- 4) None
- 5) None
- 6) Not applicable
- 7) None
- 8) None
- 9) None
- 10) None
- 11) None

ROTHESAY LIFE LIMITED

For the period ended 30 November 2007

VALUATION REPORT

Valuation Report required by Rule 9.31 of the Prudential Sourcebook for Insurers in accordance with Appendix 9.4

4. Valuation Basis

Not applicable, RLL did not write any Long Term business for the period ended 30 November 2007.

5. Options and guarantees

Not applicable, RLL did not write any Long Term business for the period ended 30 November 2007.

6. Expense reserves

Not applicable – no expense reserves are held as no business has been written at the valuation date and no expenses are being incurred by the long term fund.

7. Mismatching reserves

Not applicable, RLL did not write any Long Term business for the period ended 30 November 2007.

8. Other special reserves

None

9. Reinsurance

1) None

2) None

3) None

10. Reversionary (or annual) bonus

Not applicable, the company has not issued any with-profits business.

ROTHESAY LIFE LIMITED

For the period ended 30 November 2007

SUPPLEMENTARY NOTES

Form 3

0301 Reconciliation of net admissible assets to total capital resources

| | 2007 <u>£'000</u> | |
|------------------------|----------------------|------------------------|
| Line 89 Form 13 (OLTB) | 8,959 | Admissible assets |
| Line 69 Form 15 | <u>(41)</u> | Provisions/ creditors |
| Line 79 Form 3 | <u>8,918</u> | Total capital reserves |

Form 13

1305 Insurer's maximum counterparty limit

The maximum counterparty limit for any one counterparty is limited to the counterparty limits as noted in the Prudential Sourcebook for Insurers. Separate counterparty exposures have not been established for approved and non-approved counterparties.

Form 16

1603 Other charges

| | 2007 <u>£'000</u> |
|---------------------|----------------------|
| FSA License Fees | 627 |
| Audit Fees | 41 |
| Software | 4 |
| Miscellaneous | <u>4</u> |
| Total other charges | <u>676</u> |

ROTHESAY LIFE LIMITED

For the period ended 30 November 2007

ADDITIONAL INFORMATION ON DERIVATIVE CONTRACTS

Statement required by Rule 9.29 of the Prudential Sourcebook for Insurers

a) Investment guidelines

The investment guidelines do not currently incorporate derivative contracts. Rothesay Life Limited has not employed the use of derivative contracts for the period ended 30 November, 2007.

b) Derivatives where exercise is unlikely

None

c) Number of contracts entered into in b) above

None

d) Effect on Form 13 of exercising derivative contracts at November 2007 under prudent assumptions.

None

e) Effect on Form 13 of exercising all derivative contracts at November 2007

None

f) Effect on Form 13 with respect to d) and e) above at any time during the period.

None

g) Maximum Loss

None

h) Derivatives not included as part of permitted derivative contracts

None

i) Total value of consideration received for granting rights

None

ROTHESAY LIFE LIMITED

For the period ended 30 November 2007

DIRECTORS' CERTIFICATE

Directors' Certificate required by Rule 9.34 of the Prudential Sourcebook for Insurers in accordance with Appendix 9.6

We certify that:

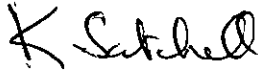
- a) the return has been properly prepared in accordance with the requirements in IPRU(INS), GENPRU and INSPRU; and
- b) the directors are satisfied that:
 - i) throughout the financial period ended 30 November 2007, the insurer has complied in all material respects with the requirements in SYSC and 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;
- c) in our opinion premiums for contracts entered into during the financial period and the resulting income earned are sufficient, under reasonable actuarial methods and assumptions, and taking into account the other financial resources of the insurer to meet its obligations in respect of those contracts and, in particular, to establish adequate mathematical reserves;
- d) the sum of mathematical reserves and the deposits received from reinsurers as shown in Form 14 constitute proper provision at the end of the financial period in question for the long-term insurance liabilities (including all liabilities arising from deposit back arrangements, but excluding other liabilities which had fallen due before the end of the financial period) including any increase in those liabilities arising from a distribution of surplus as a result of an actuarial investigation as at that date into the financial condition of the long-term insurance business.
- e) in preparing the return, the directors have taken and paid due regard to advice from every actuary appointed by the insurer to perform the actuarial function in accordance with SUP 4.3.13R.

ROTHESAY LIFE LIMITED

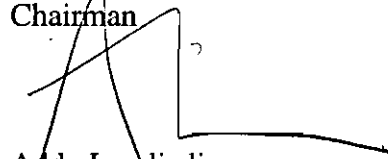
For the period ended 30 November 2007

DIRECTORS' CERTIFICATE


Directors' Certificate required by Rule 9.34 of the Prudential Sourcebook for Insurers in accordance with Appendix 9.6



Keith Satchell,
Chairman



Addy Loudiadis,
Chief Executive



Stephen Davies,
Director

Peterborough Court
133 Fleet Street
London
EC4A 2BB
8 February 2008

ROTHESAY LIFE LIMITED

For the period ended 30 November 2007

ADDITIONAL INFORMATION ON CONTROLLERS

Statement required by Rule 9.30 of the Prudential Sourcebook for Insurers

The following is a statement of:

- a) Each person who at any time during the period ended 30 November 2007, was a controller of Rothesay Life Limited ("RLL"); and
- b) In the case of each person so named, a statement of -
 - i) the percentage of shares he held in RLL, or another company of which RLL was a subsidiary undertaking; and
 - ii) the percentage of voting power which he was entitled to exercise, or control the exercise of, at any general meeting of RLL, or another company which it is a subsidiary undertaking,

in each case, either alone or with any associate or associates.

| <u>Controller</u> | <u>Percentage of Shares</u> | <u>Percentage of Voting Power</u> |
|--|-----------------------------|-----------------------------------|
| Rothesay Life (Cayman) Limited <i>Immediate Holding Co.</i> | 100% | 100% |
| Rothesay Life, L.P. <i>Partnership</i> | 100% | 100% |
| Goldman Sachs Global Holdings L.L.C. <i>Ultimate Holding Co.</i> | 25% | 25% |
| The Goldman Sachs Group, L.P. <i>Ultimate Parent</i> | 75% | 75% |

ROTHESAY LIFE LIMITED

For the period ended 30 November 2007

AUDITORS' REPORT

Report of the auditor to the Directors pursuant to Rule 9.35 of the Accounts and Statement Rules.

Global business

Financial period ended 30 November 2007

Report to the directors pursuant to rule 9.35 of the Interim Prudential Sourcebook for Insurers

We have examined the following documents prepared by the company 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 Insurance Prudential Sourcebook ("the Rules") made by the Financial Services Authority under section 138 of the Financial Services and Markets Act 2000:

- Forms 2, 3, 13 to 17, 40 to 43, 48, 49, 56, 58 and 60 (including the supplementary notes) on page 17 ("the Forms");
- the statement required by IPRU(INS) rule 9.29 on page 18 ("the Statement");
- the valuation report required by IPRU(INS) rule 9.31(a) ("the valuation report") on pages 15 to 16; and

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

- Forms 46, 47, 50, 51, 54 and 57 (including the supplementary notes);
- the statements required by IPRU(INS) rules 9.30 on page 21; and
- the certificate required by IPRU(INS) rule 9.34 on pages 19 to 20 ("the certificate").

Respective responsibilities of the company and its auditors

The company is responsible for the preparation of an annual return (including the Forms, the Statement, the valuation report, the forms and statements not examined by us and the certificate under the provisions of the Rules. Under IPRU(INS) rule 9.11 the Forms, the Statement, the valuation report, the forms and statements not examined by us and the certificate 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.

The methods and assumptions determined by the company and used to perform the actuarial investigation as set out in the valuation report, prepared in accordance with IPRU(INS) rule 9.31 are required to reflect appropriately the requirements of INSPRU 1.2.

ROTHESAY LIFE LIMITED

For the period ended 30 November 2007

AUDITORS' REPORT

Report of the auditor to the Directors pursuant to Rule 9.35 of the Accounts and Statement Rules.

It is our responsibility to form an independent opinion as to whether the Forms, the Statement and the valuation report meet these requirements, and to report our opinions to you. We also report to you if, in our opinion, the company has not kept proper accounting records or if we have not received all the information we require for our examination. This report has been prepared for the directors of Rothesay Life Limited to comply with their obligations under IPRU(INS) rule 9.35 and for no other purpose. We do not, in providing this report, accept or assume responsibility for any other purpose save where expressly agreed by our prior consent in writing.

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, the Statement and the valuation report. The evidence included that previously obtained by us relating to the audit of the financial statements of the company for the financial period. It also included an assessment of the significant estimates and judgements made by the company in the preparation of the Forms, the Statement and the valuation report.

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, Statement and the valuation report are free from material misstatement, whether caused by fraud or other irregularity or error and comply with IPRU(INS) rule 9.11.

In accordance with IPRU(INS) rule 9.35(1A), to the extent that any document, Form, Statement, analysis or report to be examined under IPRU(INS) rule 9.35(1) contains amounts or information abstracted from the actuarial investigation performed pursuant to IPRU(INS) rule 9.4, we have obtained and paid due regard to advice from a suitably qualified actuary who is independent of the insurer.

Opinion

In our opinion:

(i) the Forms, the Statement and the valuation report 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; and

ROTHESAY LIFE LIMITED

For the period ended 30 November 2007

AUDITORS' REPORT

Report of the auditor to the Directors pursuant to Rule 9.35 of the Accounts and Statement Rules.

(ii) the methods and assumptions determined by the insurer and used to perform the actuarial investigation as set out in the valuation report prepared in accordance with IPRU(INS) rule 9.31 appropriately reflect the requirements of INSPRU 1.2.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Registered Auditor

19 February 2008