

MARKET BULLETIN

REF: Y4109

Title	RATES OF EXCHANGE - 31 DECEMBER 2007
Purpose	For Use in Quarterly Monitoring Return Packs and Annual Returns
Type	Scheduled
From	Jonathan May, Senior Manager, Market Reporting, Finance Risk Management & Operations Direct phone number: 020 7327 6500 email: jonathan.may@lloyds.com
Date	2 January 2008

Deadline**Related links**

Please note that following the adoption of UK GAAP from 1 January 2005, the managing agent must determine the most appropriate accounting policies to be used, as agreed with the syndicate auditors, for year end reporting. This includes the determination of applicable accounting policies for exchange rates. You may wish to use the exchange rates set out below but these are not mandatory or recommended by Lloyd's; they are simply for information. However, it is generally expected that in accordance with UK GAAP, year end rates would be used for monetary balance sheet items and average rates for revenue account items. If you intend to use a different approach, please advise us via e-mail at either of the contacts below. You are reminded that year end rates must be used for the valuation for technical provisions for solvency, as set out in the annual return instructions, irrespective of the approach taken for non-monetary amounts in the balance sheet. Furthermore, Lloyd's does require that the exchange rates used in the annual return and quarterly monitoring return at 31 December 2007 are consistent.

The year end settlement currency rates as at 31 December 2007 are as follows (to the £):

US dollars	1.99
Canadian dollars	1.96
Euro	1.36
South African rand	13.60
Australian dollar	2.27
Japanese yen	222.38
Swiss franc	2.25
Hong Kong dollar	15.52
Swedish krona	12.87
Danish krone	10.15
Norwegian krone	10.81

Lloyd's will use the above year end rates when valuing funds at Lloyd's for solvency and capital test purposes at 31 December 2007.

The average currency rates over the twelve month period to 31 December 2007 are as follows:

US dollars	2.00
Canadian dollars	2.15
Euro	1.46
South African rand	14.11
Australian dollar	2.39
Japanese yen	235.71
Swiss franc	2.40
Hong Kong dollar	15.62
Swedish krona	13.52
Danish krone	10.89
Norwegian krone	11.72

If you have any queries, please contact Nadia Yakoob on 020 7327 6317 (nadia.yakoob@lloyds.com).

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