

MARKET BULLETIN

REF: Y4134

Title	Additional Securities Limited (ASL)- 2008 Collection & Distribution
Purpose	To notify Managing Agents of the forthcoming 2008 ASL deposit collection and distribution exercise due to take place on 28 March 2008
Type	Scheduled
From	Keith Coutinho, Market Finance, 020 7327 5762
Date	13 th March 2008
Deadline	Queries on individual statements to be made by 20 March 2008

Syndicate accountants will receive individual statements via central accounting detailing their participation and refund for 2008. Queries relating to statements should be raised no later than 20 March 2008.

2008 Collection

As in previous years, it is proposed that collections will only be made for those countries with larger deposits. The March collection will consist of the Australian statutory deposit, Grenada, Namibia, St Vincent's, Switzerland and Trinidad & Tobago.

Deferral of Singapore and Hong Kong Adjustment

The adjustment of Singapore, will take place at the end of July in accordance with the local requirements. The Hong Kong deposit is funded in May, but in order to simplify administration for syndicates, an adjustment will take place at the same time as Singapore adjustment.

Consequently the refund of the 2007 deposit loans in respect of Singapore and Hong Kong will take place alongside the revised 2008 collection date which is anticipated to be 28 July 2007.

Switzerland

Lloyd's have been granted credit for outward reinsurance in calculating the regulatory deposit in Switzerland. This is a provisional ruling by the regulators. Therefore the minimum reserving requirement in Switzerland may increase or decrease once legislation is finalised. Managing Agents will be informed of any further adjustments.

Bahamas

There is no funding requirement for the Bahamas in 2008.

Basis of apportionment

For those countries where collections are made, each syndicate's deposit requirement will be collected from the appropriate year of account which has given rise to the local funding requirement based on the 2007 calendar year signed premium data from XIS.

The collections for Switzerland and the deferred collection for Hong Kong are also partially driven by outstanding claims to arrive at the funding requirement.

Single Net Adjustment per Syndicate

The actual amount due to be collected will be net of the return of the 2007 deposit principal, plus income earned to 31st December 2007 and foreign exchange gains/losses to 7th March 2008. Accordingly a single sterling settlement to/from syndicates PTFs will be processed via central accounting on Thursday 28th March 2008.

Interest for the period 1 January to 28 March and foreign exchange gains/losses for the period 8 March to 28 March 2008 will be distributed once figures are available. It is anticipated that this will be during July 2008.

ASL Investment and Hedging policy

Where permitted by local insurance regulations and achievable within local financial markets, ASL's assets are invested in high quality money market securities of up to 12 months to maturity. However regulations in certain jurisdictions such as Switzerland and Australia may require some assets to be invested in longer-term debt instruments which means the capital value of these assets is affected by movements in local interest rates.

ASL ceased foreign exchange hedging activities in June 2001 and Agents are reminded of this each year prior to the ASL Funding exercise. As a result the sterling value of syndicates asset invested with ASL will fluctuate in line with the local currency of the investment.

Agents may conclude that hedging is appropriate to the particular circumstances of individual syndicates and are free to arrange appropriate hedging activities on behalf of such syndicates. Lloyd's Treasury Department may be able to assist in such hedging arrangements if required.

Syndicate Statements.

Individual syndicate statements will be sent to managing agents through central accounting system on 13th March 2008. Due to deferral of Singapore and Hong Kong adjustments until July 2008 these have been excluded from the statements and will be issued in July.

Any queries related to these figures should be directed to either Keith Coutinho on 020 7327 5762 or Jyoti Jiwani on 020 7327 5544 or by sending an email to asl@lloyds.com . Queries should be raised no later than 5pm on Thursday 20th March 2008.