

FROM: Tracey Freeman, Financial Control
LOCATION: 86/G5
EXTENSION: 5543
DATE: 9 March 2004
REFERENCE: Y3263
SUBJECT: ADDITIONAL SECURITIES LIMITED (ASL)
SUBJECT AREA(S): Overseas deposit collection and distribution exercise
ATTACHMENTS: None
ACTION POINTS: **To note contents**
DEADLINE: **None**

This Market Bulletin notifies Managing Agents of the forthcoming 2004 ASL deposit collection and distribution exercise.

1) Date

The collection and distribution exercise for 2004 is due to take place on Monday 29 March 2004.

2) Collection

As in previous years it is proposed that collections will only be made for those countries with larger deposits funded through ASL.

For 2004, collections will continue to be made for Cyprus, Grenada, Hong Kong, Namibia, Singapore, Switzerland, Switzerland Credit Equalisation Reserve, and Trinidad. Funding will continue for the Australian statutory deposit and there will be a new collection for St Vincent.

It is also possible that new deposits may be required in the Bahamas (£530K) and in Jamaica (£400K). Should this be required a further collection may be necessary from those syndicates writing relevant business.

3) Basis of Apportionment

For those countries where collections will be made, each syndicate's deposit requirement will be collected from the 2004 year of account and apportioned based upon 2003 premium income data.

As an exception to this the collections for Cyprus, Hong Kong and Switzerland will be allocated on a basis which more accurately reflects the method employed by local regulators to calculate the total deposit requirement.

The actual collection amount will be net of the return of the 2003 deposit principal, plus income earned to 31 December 2003, less foreign exchange fluctuations to 27 February 2004, all of which will be distributed to the 2003 year of account.

Accordingly, one movement of sterling to/from syndicates' PTFs will occur on 29 March 2004.

Interest for the period 1 January to 28 March 2004 and foreign exchange fluctuations for the period 28 February to 28 March 2004 will be distributed once figures are available. It is anticipated that this will be during June 2004.

4) Further Detail

Further information, including collection and distribution amounts per syndicate, will be notified to Managing Agents shortly.

Any queries relating to these figures should, in the first instance, be directed to Tracey Freeman Lloyd's extension 5543 or Michael FitzGerald Lloyd's extension 5901, and **must** be raised no later than Friday 19 March 2004.

This Market Bulletin has been sent to all Managing Agents.

Tracey Freeman
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