

FROM: Philip Jones EXTN: 5314
DATE: 18 July 2005 REF: Y3595
SUBJECT: **Syndicate loans**

SUBJECT AREA(S): Quarterly Statement confirming the amount of any accrued interest

ATTACHMENTS: None

ACTION POINTS: Managing agents to note

DEADLINE(S):

The purpose of this bulletin is to advise managing agents that Lloyd's is issuing statements on 18 July 2005 in respect of syndicate loans as at 30 June 2005 (*ref Y3394 New Central Fund Contributions, Syndicate Loans, Members' Subscriptions and Other Charges for 2005*) detailing the principal received and accrued interest for the quarter then ended.

Statements will in future be issued on or around the 15th of the month following the quarter end and include confirmation that to the best knowledge and belief of Council that there are currently no reasons why the loans will not be repaid on the expected repayment date. In addition, annually, Ernst & Young, in its capacity as the Society's auditors will issue a report supporting the Certificate issued by Lloyd's and confirming that the nominal amounts have been extracted from the underlying records. The report of the auditors and the Certificate issued by Lloyd's in January each year, in advance of the finalisation of syndicate and corporate member report and accounts, would be based on the latest available unaudited figures in respect of central assets and members' solvency deficits.

If you have any queries relating to this bulletin, please address them to Mat Stone extension 2202. This bulletin is being sent to all managing agents for information.