

MARKET BULLETIN

From Franchise Performance (extn 5983)

Date 4 April 2006

Reference Y3782

Subject 2007 Plan Rates of Exchange

Subject areas

Attachments

Action points For use in the 2007 Business Planning Process

Deadlines

2007 Exchange Rates

The prescribed rates of exchange to be used for converting 2007 year of account premiums into £ sterling for the purpose of the business planning process are as follows:-

US Dollar	1.77
Canadian Dollar	2.11
Euro	1.44
Australian Dollar	2.43
South African Rand	11.05
Japanese Yen	199.22
Swiss Francs	2.23

It has been the practise in the last few years to advice the market of the rates of exchange to be used well in advance of the beginning of the relevant year of account. This is done in order to assist managing agents in planning future premium income levels.

It is recognised that actual rates may vary from the above over the period of the 2007 year of account, but it is felt that the ability of the market to plan ahead is of primary importance.

Exchange Rate Methodology

The prescribed rates of exchange for the 2007 year of account are calculated using a combination of:

- The historical weighted average of the “LPSO” year-end exchange rates for the past three years;
- The “Bloomberg” mid rate for the end of the current year taken at 31 March 2006

This is the methodology used last year.

Further Information

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