

MARKET BULLETIN

REF: Y4045

Title	Repayment of syndicate loans
Purpose	To notify Managing Agents of the repayment of syndicate loans on 31 July 2007
Type	Event
From	Danny Golding, Financial Control Telephone: 01634 392255 Email: danny.golding@lloyds.com
Date	26 July 2007
Deadline	31 July 2007
Related links	

EXECUTIVE SUMMARY

The purpose of this bulletin is to notify Managing Agents of the repayment of syndicate loans.

The repayment of syndicate loans will be made via Lloyd's Central Accounting to syndicate sterling/US Dollar PTF's on 31 July 2007.

BACKGROUND

On 19 June 2007 the Society issued £500m perpetual subordinated capital securities, one purpose of which was to enable the Society to repay syndicate loans.

CAPITAL

On 26 July 2007 Council formally approved the repayment of syndicate loans and any further payment of interest thereon.

INTEREST

On 16 April 2007 interest relating to the 2005 and 2006 syndicate loans, for the period 1 April 2006 to 31 March 2007 was repaid to syndicates. Therefore interest for the period to the repayment date on 31 July 2007 will be due to syndicates on 2005, 2006 and 2007 syndicate loans.

Interest is payable, net of expenses equal to 0.07% (annualised) of loan values. The interest payable is based on the return on the Merrill Lynch 1-3 Year UK Government Total Return Index or the Merrill Lynch 1-3 Year US Government Total Return Index depending upon the currency in which the loans were provided. Where loans have been provided since 1 April 2005, 2006 or 2007, due to mid-year capacity increases, the index used will be for the period from the date of receipt.

This bulletin is circulated on 26 July 2007 and therefore the actual interest return is not yet known. Payment will be made through Lloyd's Central Accounting in August 2007.

SYNDICATE REMITTANCES

Syndicate remittances will be sent to Managing Agents through the Lloyd's Central Accounting system on 27 July 2007 detailing the amounts to be repaid by currency and year of account.

Any queries should be directed to Mat Stone on 01634 392202 or Danny Golding on 01634 392255 or by sending an email to mat.stone@lloyds.com or danny.golding@lloyds.com.

This bulletin has been sent to all Managing Agents.

Danny Golding
Manager, Financial Reporting
Financial Control