

INTERIM RESULTS TO JUNE 2007

27th September 2007

A strong first half performance

	6 months to June 2007	6 months to June 2006
Gross written premiums ¹	£9,864m	£9,966m
Combined ratio ¹	82.9%	86.0%
Profit ¹	£1,807m	£1,351m
Central assets ²	£2,165m	£1,401m

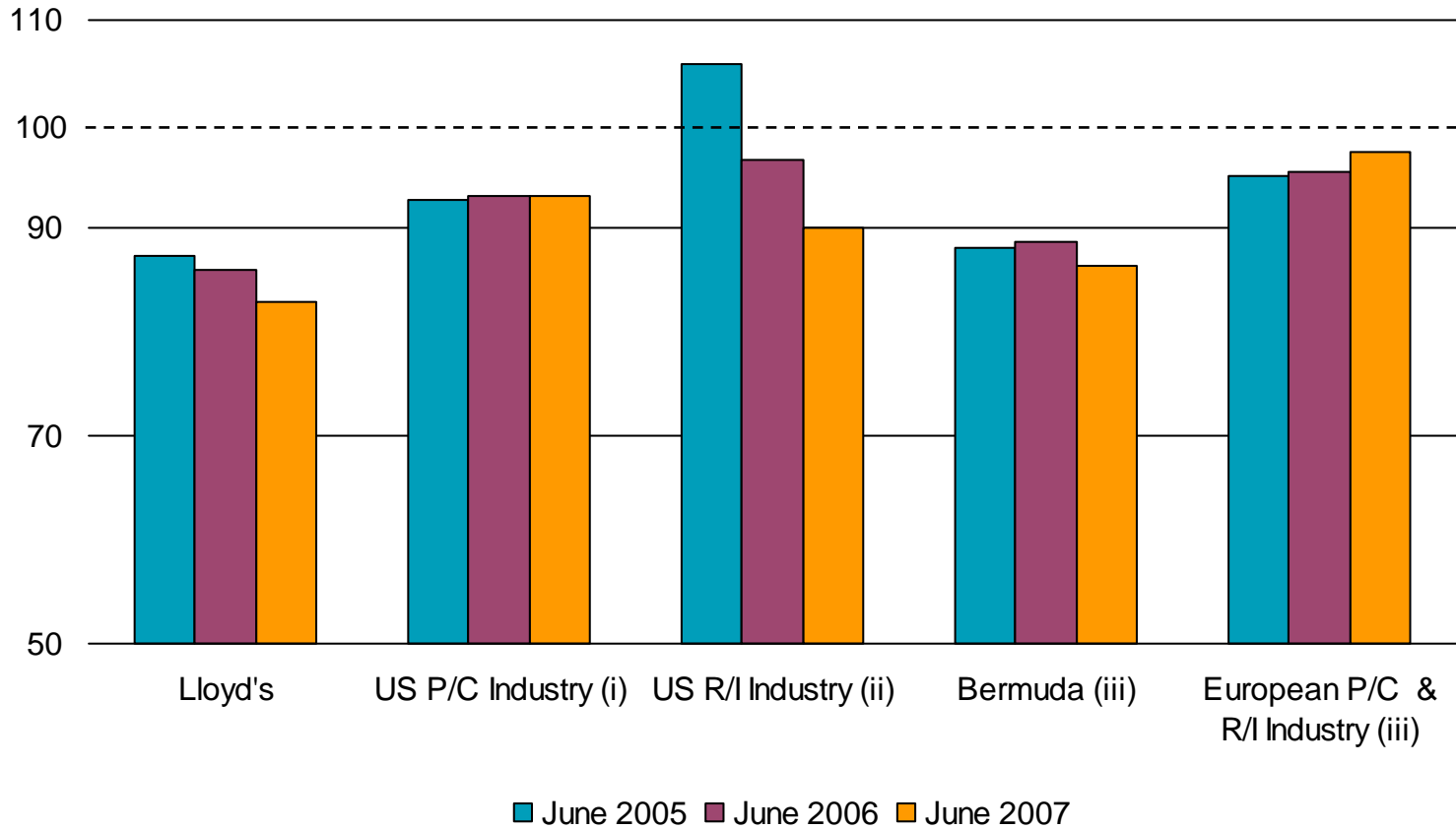
1) Lloyd's pro forma financial statements

2) Net assets per Society of Lloyd's consolidated financial statements (under IFRS) excluding the callable layer and the liability in respect of the subordinated debt, and is prior to the repayment of £333m of syndicate loans in July 2007.

Strong comparative performance

COMBINED RATIO

%



Source: Sources: i) Insurance Information Institute estimate, ii) Reinsurance Association of America iii) Company data (8 European companies; 15 Bermudian companies)

FINANCIAL RESULTS

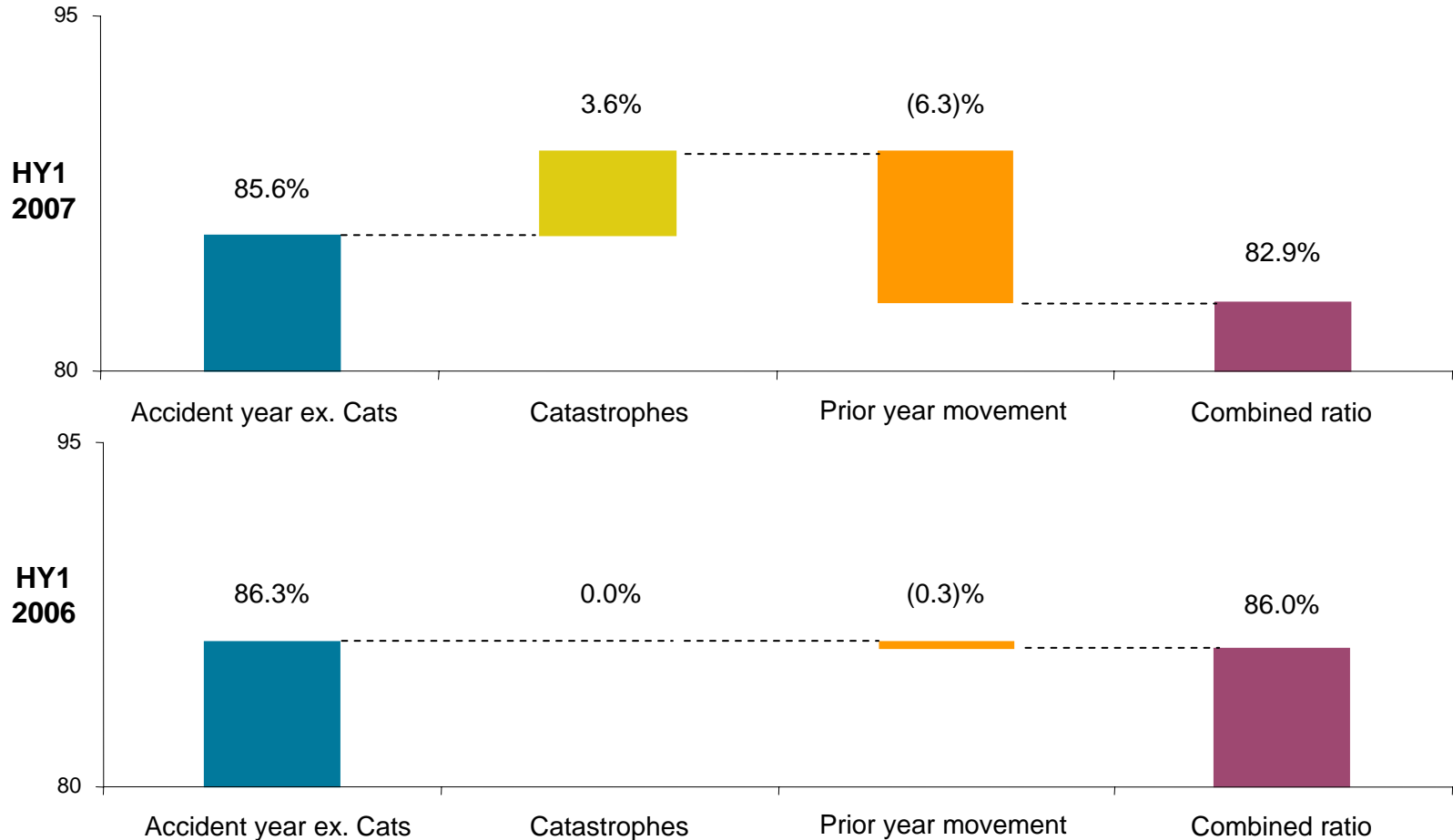
Strong results due to earned premium growth and increased investment income

£m	June 2007	June 2006	% change	Dec 2006
Gross written premiums	9,864	9,966	(1)	16,414
Net earned premiums	6,424	6,067	6	12,688
Net incurred claims	(3,218)	(3,288)	(2)	(6,219)
Net operating expenses ¹	(2,110)	(1,927)	9	(4,327)
Underwriting result	1,096	852	29	2,142
Investment return ²	830	571	45	1,608
Other income/(expenses) ³	(119)	(72)	65	(88)
Profit	1,807	1,351	34	3,662
Combined ratio	82.9%	86.0%		83.1%

Source: Lloyd's pro forma financial statements 1) Technical account 2) Return on members' and syndicates' assets 3) Non-technical account

Limited catastrophe claims and reserve releases support underwriting profitability

COMBINED RATIO



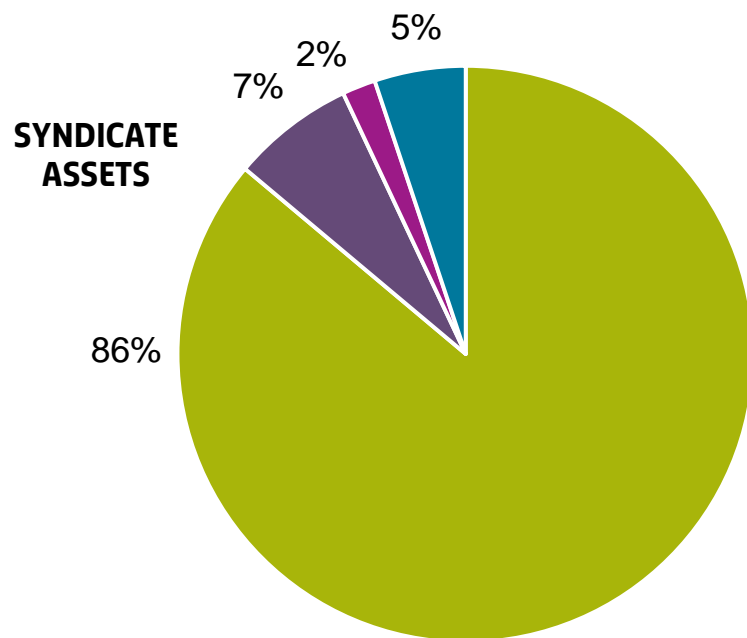
Source: Lloyd's proforma financial statements

Improved investment performance in the first half

	Syndicate level assets		Funds at Lloyd's		Central Fund		Total (weighted)	
	%	June 2007	June 2006	June 2007	June 2006	June 2007	June 2006	June 2007
Bonds	78	84	19	20	63	58	59	62
Equities	5	3	12	13	14	15	8	7
Cash and other	17	13	69	67	23	27	33	31
	100	100	100	100	100	100	100	100
Total assets (£m)	21,871	20,985	10,797	11,121	2,485¹	1,748 ¹	35,153	33,854
Return (£m)	480	313	350	258	16	(6)	846	565
Return in the period	2.2%	1.4%	3.2%	2.4%	0.8%	(0.4)%	2.4%	1.6%

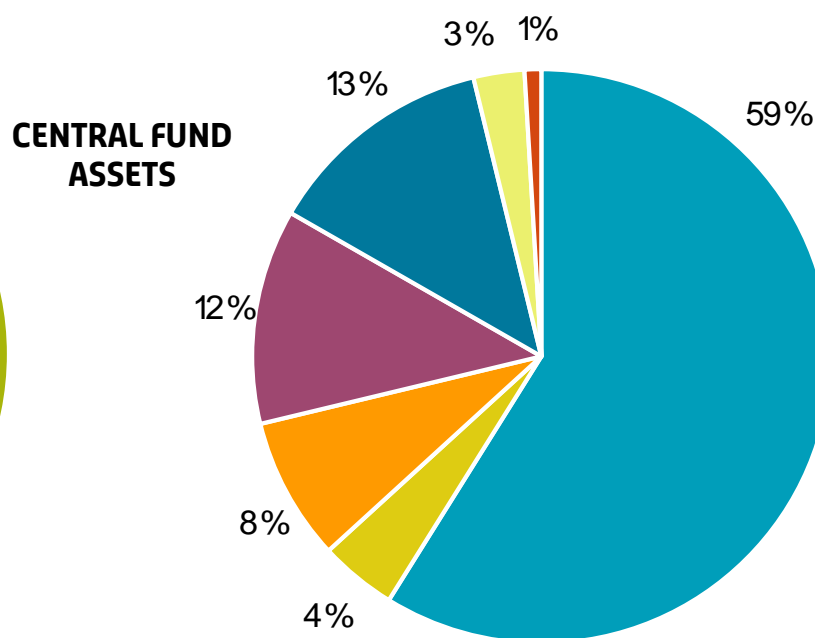
1) Gross invested central assets, stated on IFRS basis

Asset mix and high investment quality limits exposure to sub-prime



- AA & above bonds (inc cash)
- A bonds
- BBB and below bonds
- Equities (incl. hedge funds)

Note: includes syndicate level assets only; excludes members' funds at Lloyd's



- Government
- AAA bonds
- AA/A bonds
- Cash & Short term deposits
- Equities (incl property fund)
- Hedge funds
- High yield and emerging markets

Payment of claims and collection of reinsurance strengthen balance sheet

£m	June 2007	June 2006	Dec 2006
Cash and investments	35,153	33,854	35,091
Reinsurers' share of technical provisions	9,759	13,346	10,030
Other assets	10,798	11,949	8,994
Total assets	55,710	59,149	54,115
Unearned premiums	(8,973)	(9,089)	(7,024)
Other liabilities	(33,300)	(38,495)	(33,758)
Net resources	13,437	11,565	13,333
Represented by:			
Members' assets ¹	11,272	10,164	11,879
Central assets ²	2,165	1,401	1,454
	13,437	11,565	13,333

Source: Lloyd's pro forma financial statements

1. Includes syndicate balances and funds at Lloyd's 2. Stated on a UK GAAP basis; excludes subordinated debt liability

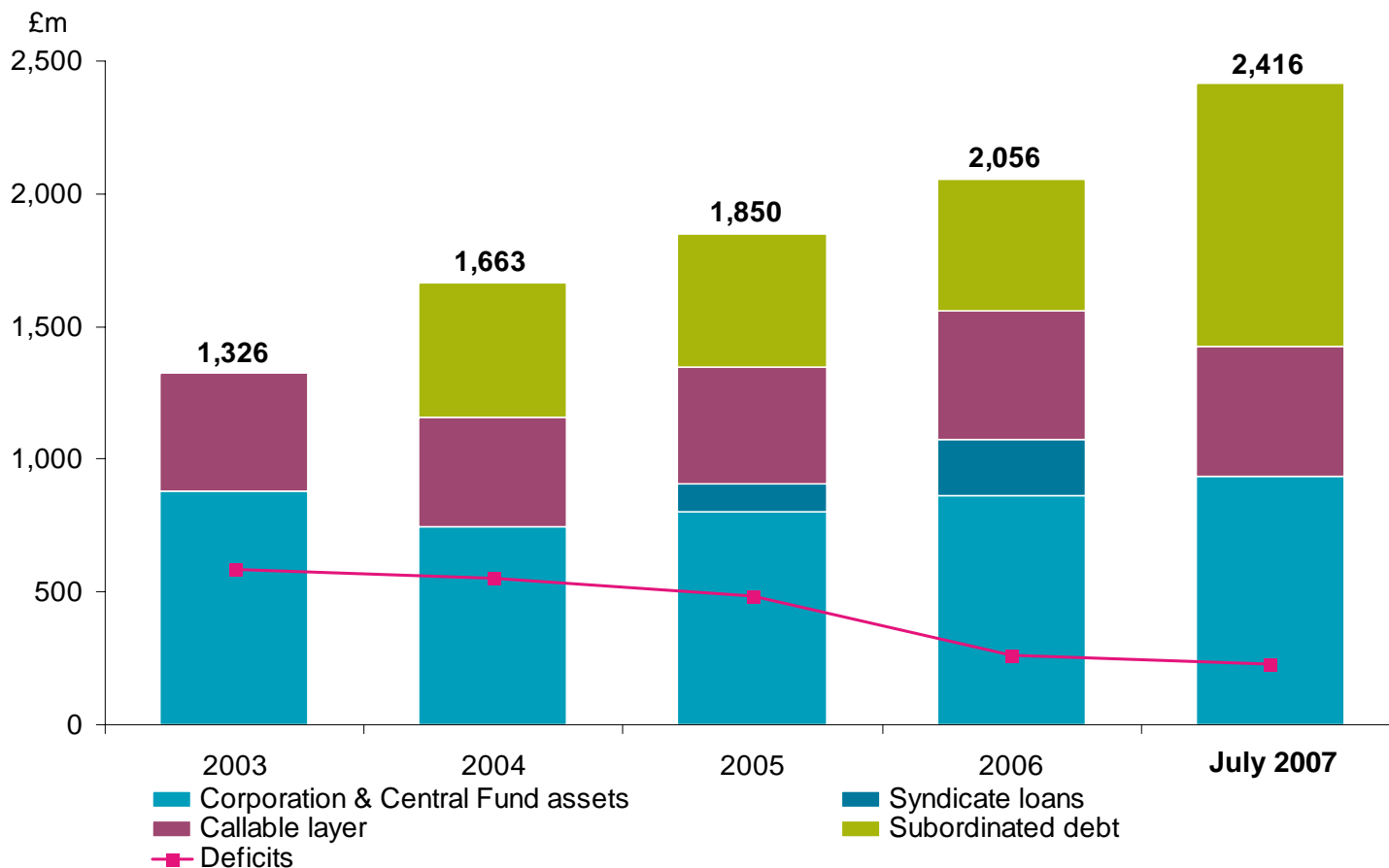
New debt issue and few claims build central resources

£m	June 2007	Full Year to Dec 2006
Net Central Fund assets at 1 January	843	670
Contributions from members	166	152
Receipt of syndicate loans	121	113
Contribution to Equitas – Berkshire Hathaway	(90)	-
Claims and provisions	(10)	(116)
Net finance income	(5)	13
Other	(4)	11
Net Central Fund assets at 30 June / 31 Dec	1,021	843
Corporation of Lloyd's + subsidiaries	151	115
Tier II subordinated debt	498	497
Tier I subordinated debt	495	-
Central assets under IFRS	2,165	1,455
Callable layer ¹	488	483
Other adjustments for solvency	96	116
Central resources for solvency	2,749	2,054

Source: Society of Lloyd's financial statements (under IFRS)

1) Callable layer calculated at 3% of market capacity

Central assets continue to grow



Source: Society of Lloyd's financial statements

1) Callable layer calculated at 3% of 2007 capacity. 2) July 2007 reflects repayment of syndicate loans £333m.

Outlook

- Key sensitivity for full year 2007 result will be catastrophe activity in the remainder of the year
 - High investment quality positions Lloyd's well in current market uncertainty
 - Potential for further reserve releases from recent prior years
- Longer term:
 - Central Fund contribution rate will reduce to 0.5% in 2008
 - Expect more closure of run-off years
 - Rates are under pressure and good cycle management is required

CONCLUSIONS

Lloyd's is in a strong position

- Achievements
 - Upgrade of S&P and Fitch IFS ratings to A+
 - Successful issue of £500m of Tier 1 subordinated debt, strengthening central assets whilst reducing cost of mutuality
 - Opening of Shanghai office and expansion of Lloyd's Asia platform
 - Increasing usage of electronic platforms for claims handling and premium settlement
 - Management team strengthened
- Focus for remainder of year
 - Pace of reform of business processes
 - Responding to changing market opportunities in a disciplined way

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