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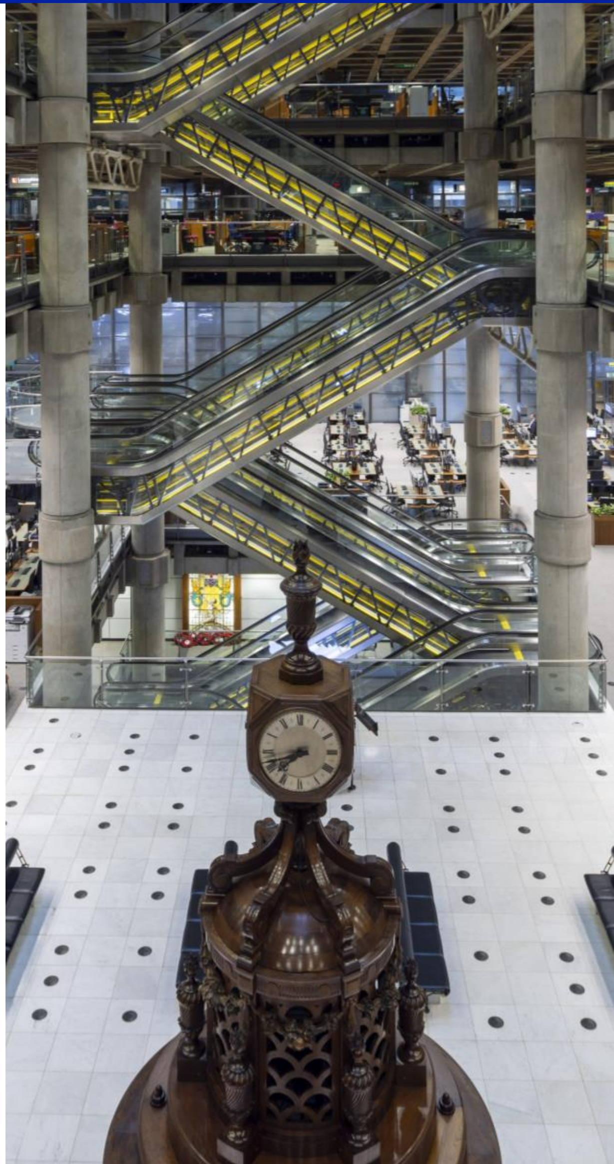
Half Year Results

2025

Six months ended 30 June

Today's session

- Overview
- H1 2025 Market Results
- Underwriting Conditions & Outlook
- Blueprint Two Update
- Strategy Update



Overview

Patrick Tiernan, Chief Executive

Combined syndicate performance: H1 2025

£32.5bn Gross written premium	**92.5%** Combined ratio	**(3.5)%** Rate change
£4.2bn Profit before tax	**82.1%** Underlying combined ratio	**£14.1bn** Claims paid
£3.2bn Investment Return	**10.4%** Major losses	**£4.2bn** Returned to members

The foregoing should not be relied upon as a promise or representation as to past or future performance. Furthermore, past performance is not necessarily indicative of future performance.

H1 2025 Market Results

Alex Cliff, Chief Financial Officer

H1 2025 Financial highlights

£32.5bn Gross written premium	**+6.2%** vs HY 2024	**92.5%** Combined ratio	**+8.8%pts** vs HY 2024	**206%** Market-wide solvency	**+1%pts** vs FY 2024
£4.2bn Profit before tax	**£(0.7)bn** vs HY 2024	**82.1%** Underlying combined ratio	**+1.5%pts** vs HY 2024	**468%** Central solvency	**+33%pts** vs FY 2024
£3.2bn Investment Return	**+£1.1bn** vs HY 2024	**10.4%** Major losses	**+7.3%pts** vs HY 2024	**£43.8bn** Total capital	**£(3.4)bn** vs FY 2024

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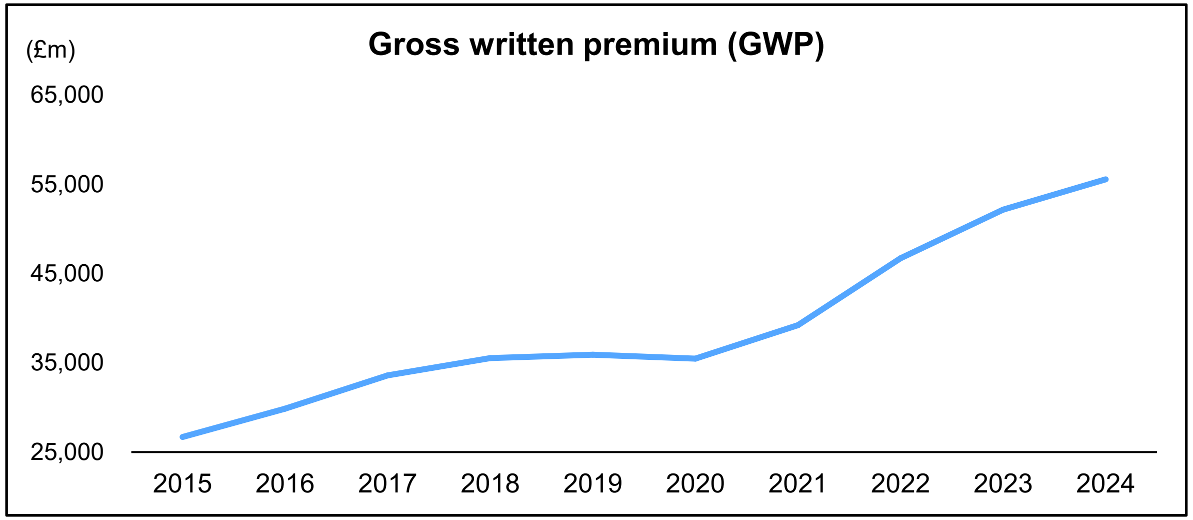
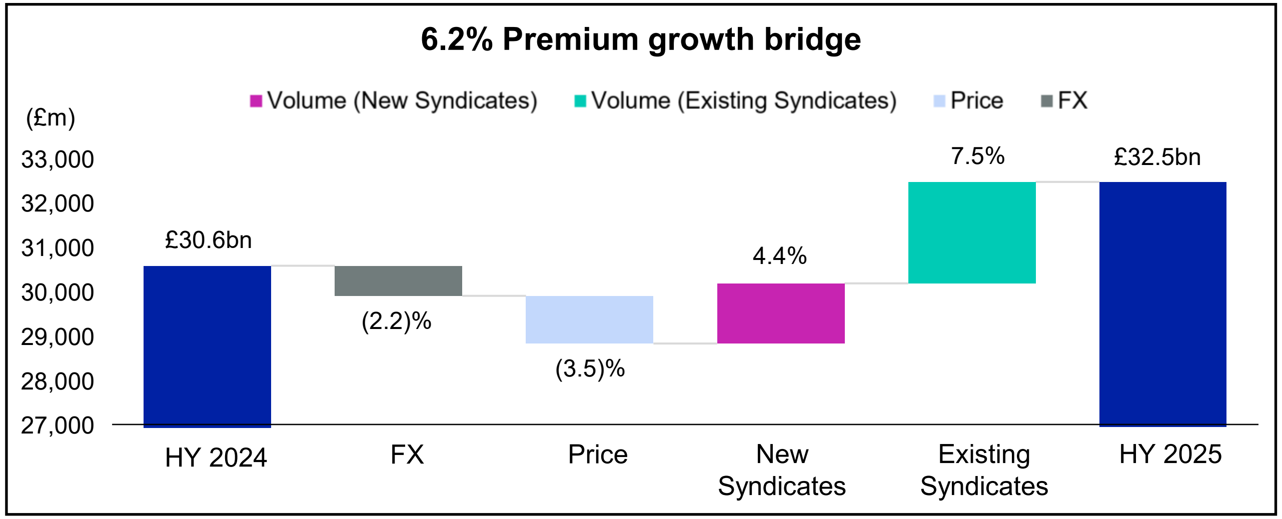
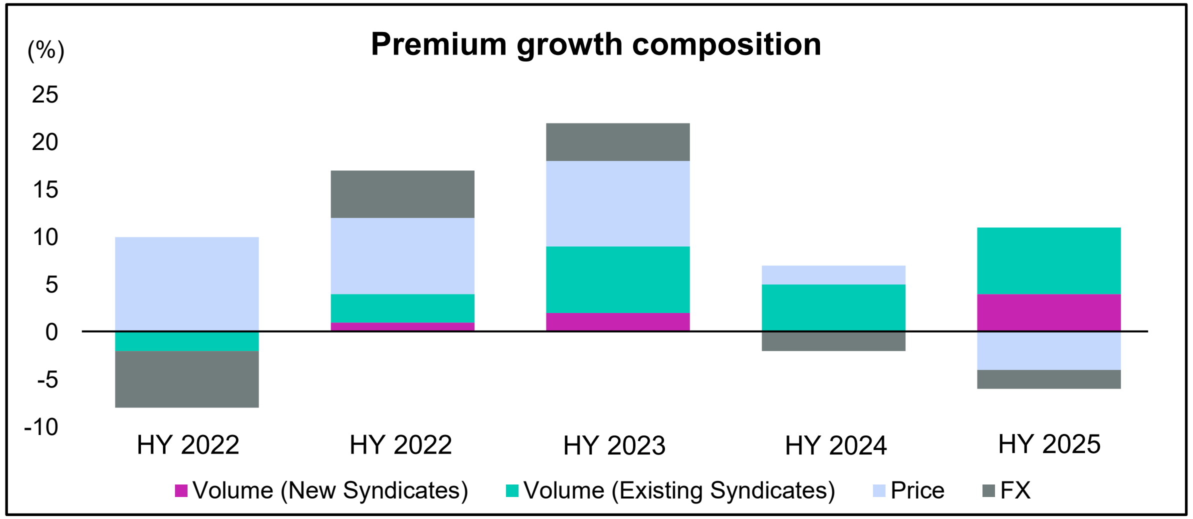
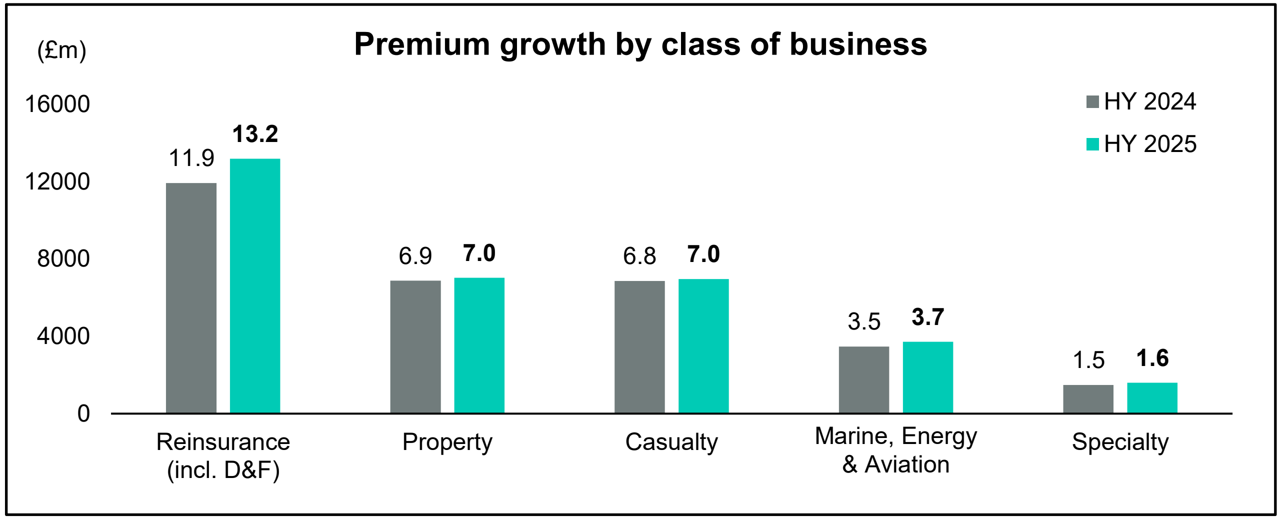
Capability driven growth









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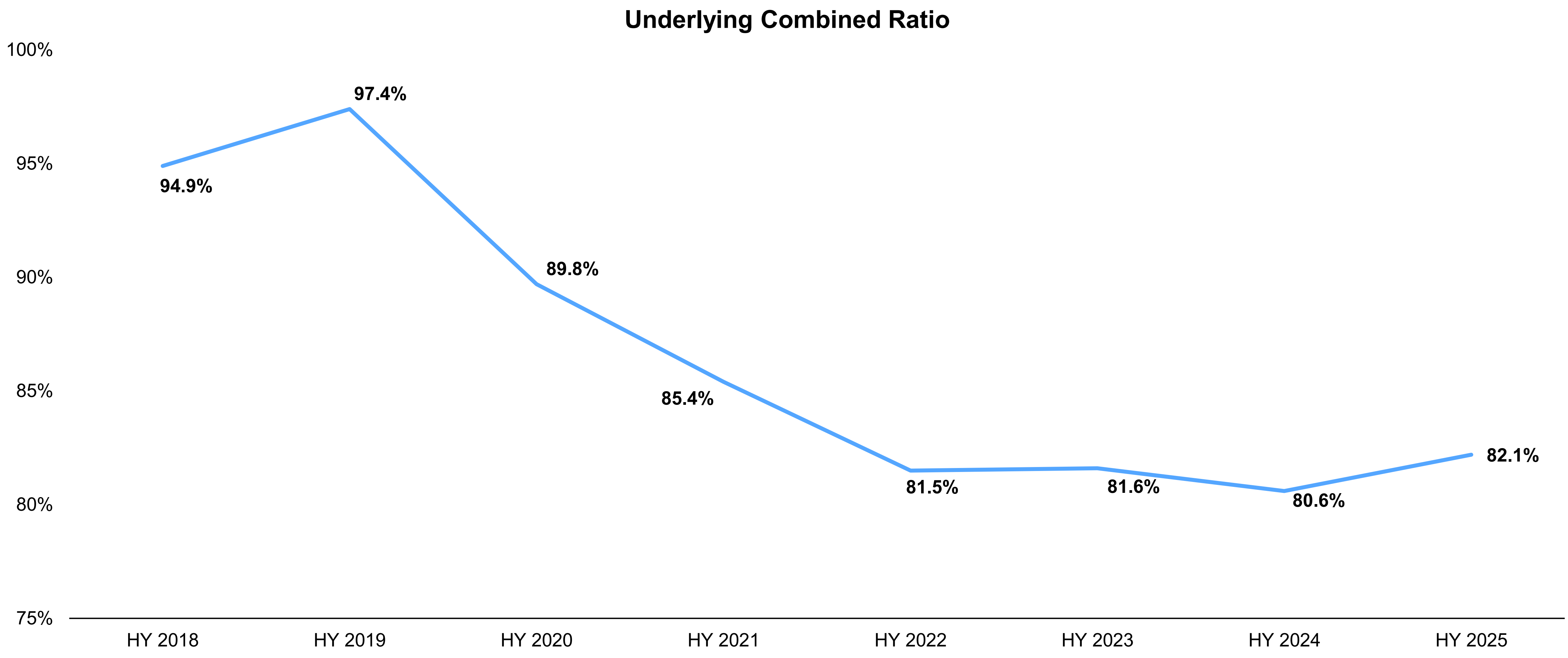
Underlying combined ratio 82.1%



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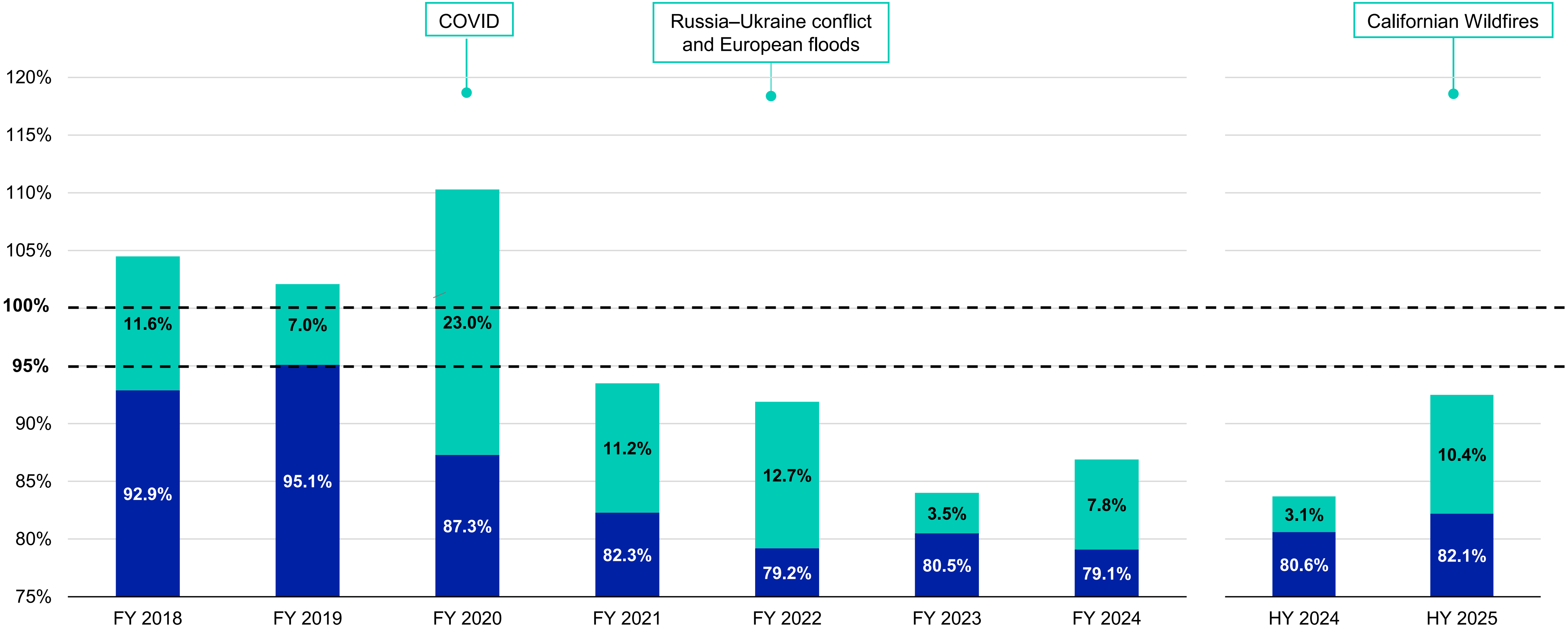
Underlying combined ratio absorbs CAT volatility



Average 10-year major loss ratio is 10.8%
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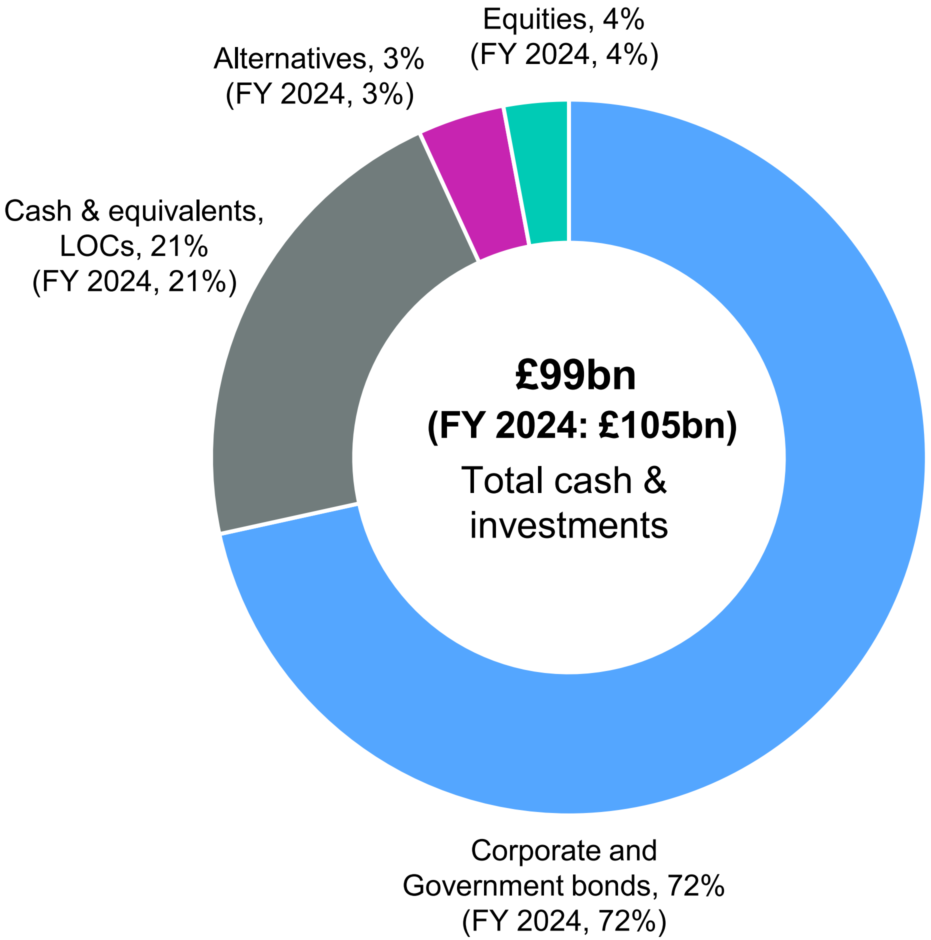
Prudently positioned investment portfolio



	HY 2025	HY 2024
Syndicates & Society	**£1.3bn** Investment income	**£1.1bn** Investment income[1]
	£0.2bn Realised gains/(losses)	£0.2bn Realised gains/(losses)
	£0.7bn Unrealised gains/(losses)	£(0.2)bn Unrealised gains/(losses)
FAL	£1.0bn Notional investment return on members' FAL	£1.0bn Notional investment return on members' FAL
	£3.2bn Investment return	**£2.1bn** Investment return

[1] Due to reporting rationalisation, numbers have been restated

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Very strong balance sheet

H1 2025 result	H1 2025 vs. FY 2024
206% Market-wide solvency	**+1%pts**
468% Central solvency	**+33%pts**
£43.8bn Total capital	**£(3.4)bn**

Financial Strength Ratings

Agency	Rating	Description	Outlook
A.M. Best:	A+	*(Superior)*	Stable
Fitch Ratings:	AA-	*(Very Strong)*	Stable
KBRA:	AA-	*(Very Strong)*	Stable
S&P Global:	AA-	*(Very Strong)*	Stable

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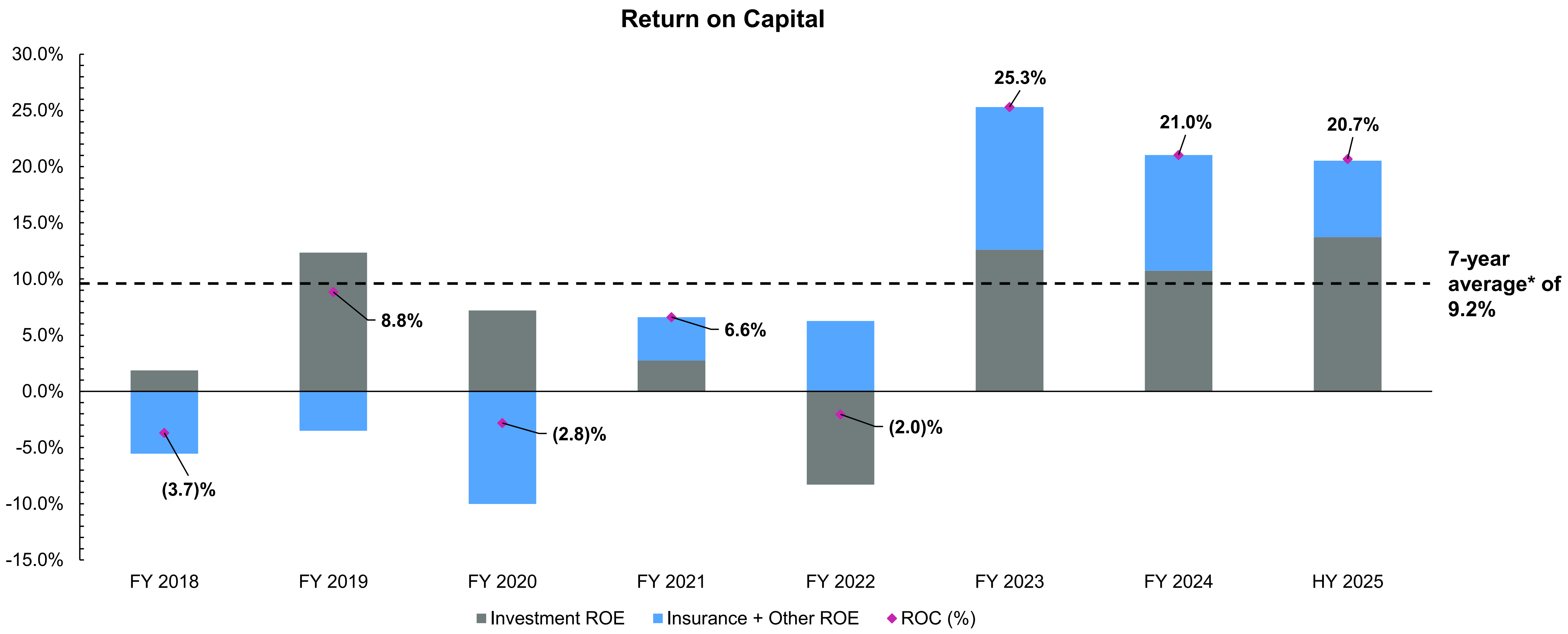
Improving average return on capital



* Calculation including HY 2025

Rolling return on capital is the ratio of the result before tax for the most recent 12-month period to the average of opening and closing total capital and reserves over the same period.

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2025 FY guidance remains unchanged

H1 2025 Results	2025 FY Outlook[1]
£32.5bn Gross written premium	**£60bn** **+/- 5%** Gross written premium
92.5% Combined ratio	**90-95%** Combined ratio
3.1% Investment return	**~4%** Investment return

[1] Subject to financial markets, FX, unpredictable economic developments, and major losses within normal expected range.
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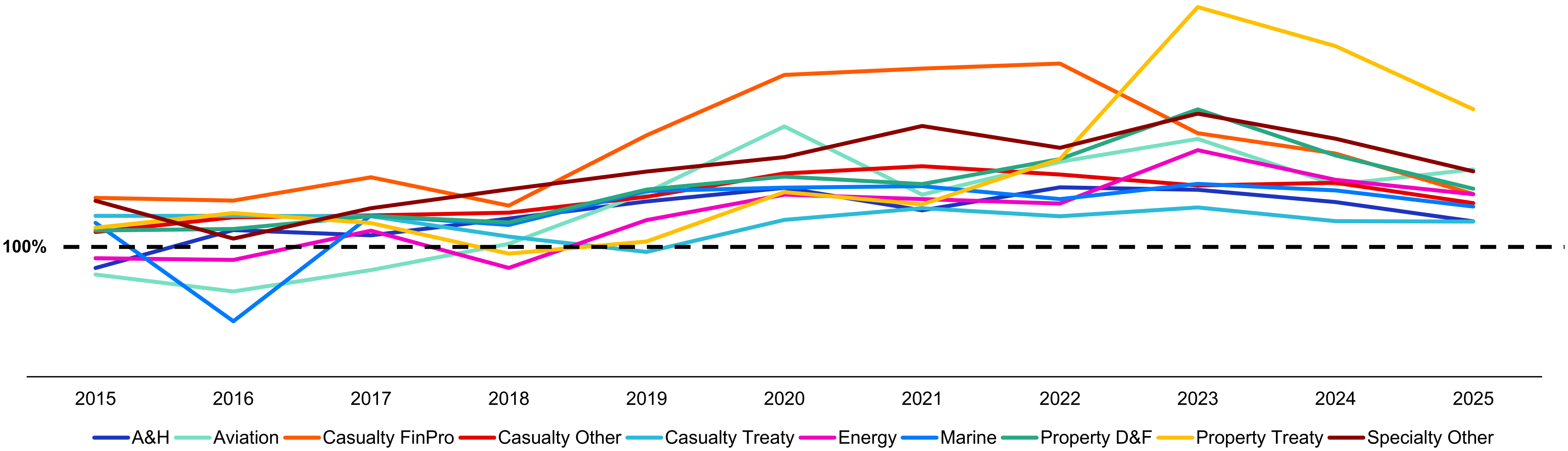
Underwriting Conditions & Outlook

Rachel Turk, Chief of Market Performance

Benchmark adequacy by class of business



Source: QMB Q2 data, YOA basis

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Year of Account: 2025 results solid and early view of 2026 looks reasonable

2025 Forecast		2026 Early view
£61bn Gross written premium	**+9.6%** vs 2025 forecast	**£66bn** Gross written premium
90.2% Net combined ratio	**+1.3%pts** vs 2025 forecast	**91.5%** Net combined ratio

Source: QMB (2025 Forecast) and SBD KPI data (2026 early view)

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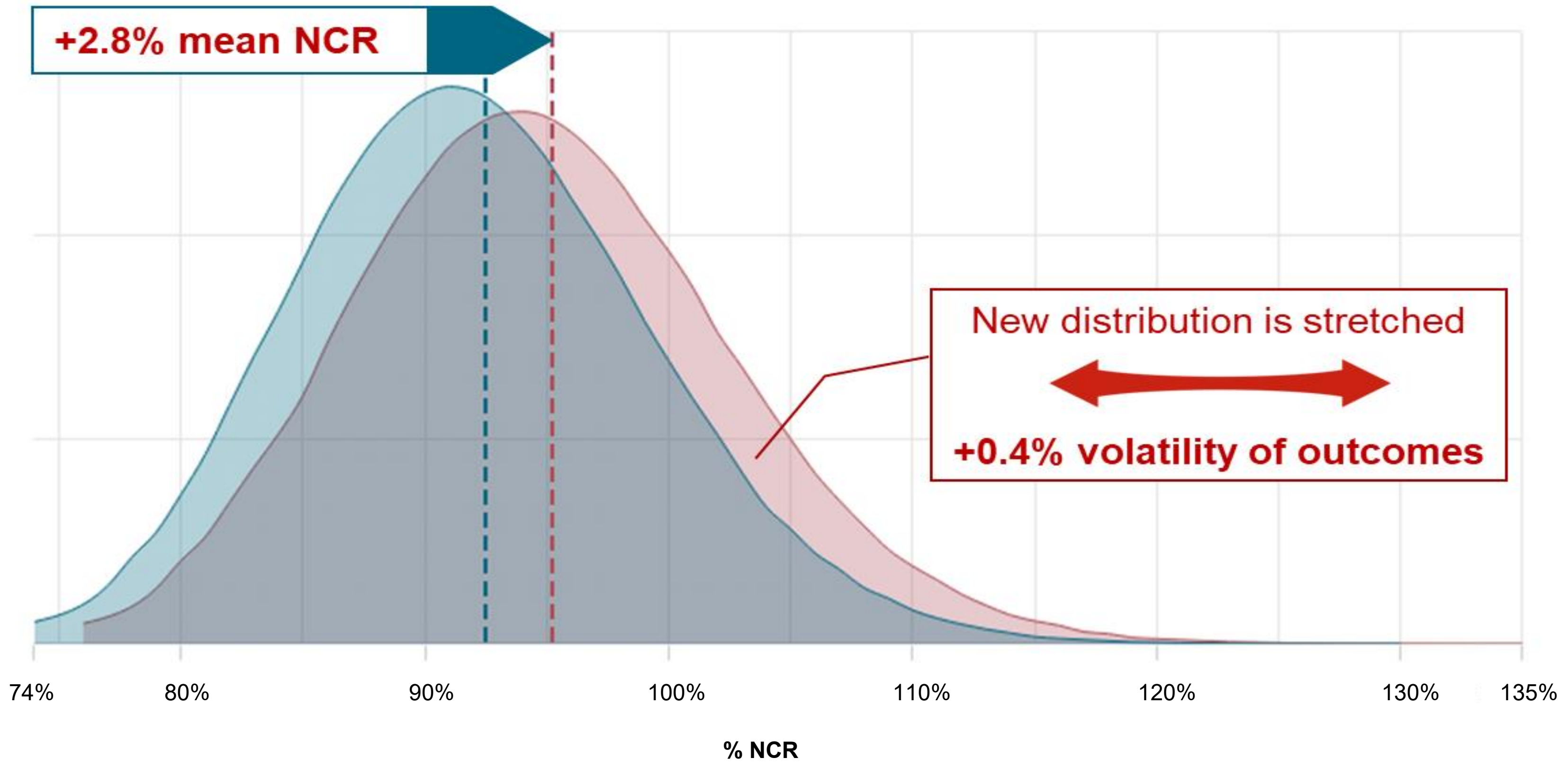
Volatility is slightly ticking up

NCR Distribution – New vs Starting portfolio



NCR: Net Combined Ratio.
Modelling the early look 2026 SBD YOA NCR
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Themes from early plan discussions

- The strongest are showing portfolio optimisation
- Growing at all costs, irrespective of conditions, is not supported
- Strong market interest in facilities, but we will not allow these to underperform the market

Facilities oversight and market evolution

Product line facilities cannot be a dumping ground for inferior risks

Cross class facilities represent approximately 3% of total Lloyd's premium

Optimal penetration of a broker's book should lead to outperformance against the market

Follow market players without a USP will need to shrink as their source of business dries up

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Looking ahead

Underwriting outlook for 2026 is positive despite small increases in volatility

Success relies of optimising portfolios and seeking areas of margin

Opportunity to take actions now to position portfolios for a shallower landing

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Blueprint Two update

Patrick Tiernan, Chief Executive

Blueprint Two update

- Re-platforming is a key priority
- Market testing will not commence before 2026
- Re-platforming not expected to be completed before 2028
- Committed to operational resilience of the heritage estate until at least 2030
- Completion will not automatically yield material savings to the existing cost base

Strategy update

Patrick Tiernan, Chief Executive

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Strategy update

Lloyd's to be the preeminent global market for risk

Our focus must be on enabling sustainable, attractive returns on capital through the economic cycle

Relentless focus on reducing the cost burden to the market

We will invest only where we hold, or can build, clear advantage

Growth will be an outcome, not a target

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Key takeaways

- Sensible growth, solid profits, very strong capital
- Attractive market conditions but vigilance and discipline required
- Full year guidance maintained
- Prioritise operational resilience, safe transformation and transparent engagement
- Future strategy will be built to optimise the market and enhance returns for all stakeholders

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H1 2025 result

£m	FY 2022	HY 2023	FY 2023	HY 2024	FY 2024	HY 2025
Gross written premium (GWP)	46,705	29,306	52,149	30,581	55,546	32,470
Net earned premium (NEP)	32,458	16,932	36,925	18,866	40,424	19,974
Net incurred claims	(18,655)	(8,435)	(18,302)	(9,282)	(21,222)	(11,322)
Operating expenses	(11,162)	(5,997)	(12,713)	(6,517)	(13,888)	(7,147)
Underwriting result	**2,641**	**2,500**	**5,910**	**3,067**	**5,314**	**1,505**
Total investment return	(3,128)	1,808	5,310	2,142	4,914	3,168
Foreign exchange (loss)/ gain	158	(186)	(134)	(73)	(124)	(227)
Other expenses, net	(440)	(202)	(423)	(220)	(478)	(197)
Profit before tax	**(769)**	**3,920**	**10,663**	**4,916**	**9,626**	**4,249**
Loss ratio	**57.5%**	**49.8%**	**49.6%**	**49.2%**	**52.5%**	**56.7%**
Attritional losses	48.4%	50.9%	48.3%	49.2%	47.1%	48.3%
Prior year (release)/strengthening	(3.6)%	(4.7)%	(2.2)%	(3.1)%	(2.4)%	(2.0)%
Major claims	12.7%	3.6%	3.5%	3.1%	7.8%	10.4%
Expense ratio	**34.4%**	**35.4%**	**34.4%**	**34.5%**	**34.4%**	**35.8%**
Admin expense ratio[1]	8.2%	9.3%	8.8%	9.1%	9.0%	9.8%
Acquisition cost ratio[1]	26.2%	26.1%	25.6%	25.4%	25.4%	26.0%
Combined ratio	**91.9%**	**85.2%**	**84.0%**	**83.7%**	**86.9%**	**92.5%**

[1] Due to reporting rationalisation, numbers have been restated

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Balance sheet

£m	HY 2025	FY 2024 (Restated)[1]
Financial investments	87,476	93,162
Deposits with ceding undertakings	182	252
Reinsurers' share technical provisions	33,613	33,198
Debtors	32,364	27,782
Other assets	14,346	14,901
Prepayments and accrued income	7,917	7,222
Total assets	**175,898**	**176,517**
Members' funds at Lloyd's	30,329	30,500
Members' balances	10,536	13,533
Central reserves (mutual assets)	2,602	2,818
Subordinated loan notes	298	298
Total capital, reserves, and subordinated loan notes	**43,765**	**47,149**
Technical provisions	113,736	113,046
Deposits received from reinsurers	1,012	1,128
Creditors	15,538	13,480
Accruals and deferred income	1,847	1,714
Total liabilities, capital and reserves	**175,898**	**176,517**

[1] Due to reporting rationalisation, numbers have been restated

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Market scenario testing

Impact on Lloyd's Market Portfolio based on asset valuation as at 30 June 2025		
Scenario	**Change in asset value**	**Comments**
Interest rates rise by 100bps	£2.0bn loss	Despite an economic matching of asset and liabilities, interest rate shifts have a P&L impact since UK GAAP does not allow insurance liabilities to be discounted. The c.£2bn loss stems from the impact of a 100bps rise in rates on the c.£73bn fixed income portfolio with an average duration of 2.7 years.
Equities decline by 26% from the expected value (1-in-10 year shock)	£2.0bn loss	The c.£2bn loss stems from the impact of a 1-in-10-year shock on the £4.2bn of investments in equities and £3.3bn investment in alternative assets.
USD weakens by 10% against GBP		
▪ Impact on Members' assets	£2.2bn loss	The c.£2.3bn impact on Members' assets is a balance sheet only impact and does not impact the P&L.
▪ Impact on P&L	£0.4bn loss[1]	The £0.4bn impact on P&L from FX movements includes the conversion impact on the net PTF position (impact on assets largely offset by liabilities) and central assets.

The analysis above is performed for reasonably possible movements in interest and FX rates with all other variables held constant, showing the impact on the asset values on the balance sheet.

[1] Annual P&L sensitivity analysis

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