LLOYD'S

Half Year Report

2026

Six months ended
30 June 2026

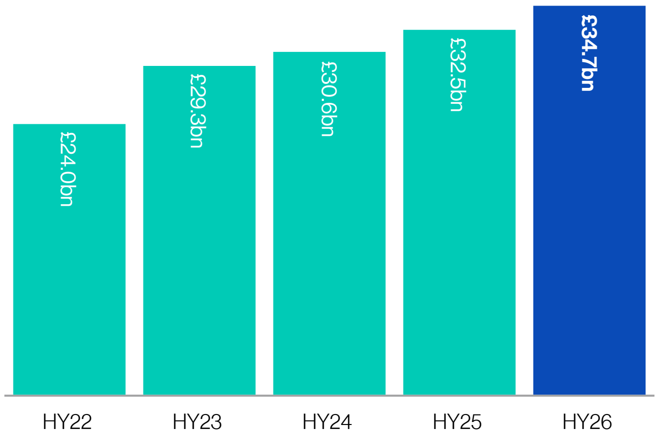
Lloyd's is the only insurance marketplace of its kind in the world. We bring together the world's leading risk takers to advance global progress.

Contents

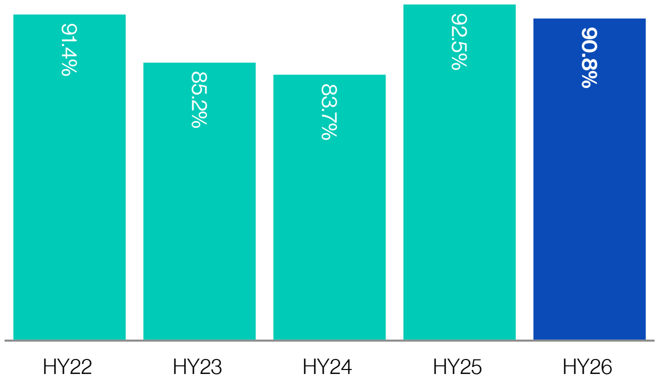
Performance at a glance

Financial key performance indicators

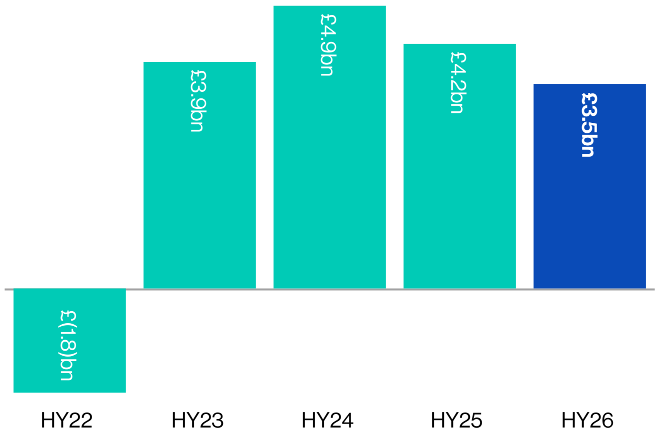
Gross written premium
£34.7bn



Combined ratio
90.8%



Result before tax
£3.5bn



Underwriting result
£1.9bn
(HY 2025: £1.5bn)

Expense ratio
36.4%
(HY 2025: 35.8%)

Investment return
£1.8bn
(HY 2025: £3.2bn)

Underlying combined ratio
84.0%
(HY 2025: 82.1%)

Return on capital
21.6%
(FY 2025: 22.0%)

Total capital, reserves and subordinated loan notes
£48.4bn
(FY 2025: £49.8bn)

Market-wide solvency coverage ratio
199%
(FY 2025: 200%)

Central solvency coverage ratio
503%
(FY 2025: 496%)

Financial strength ratings

A.M. Best
A+
(Superior)
Stable outlook

KBRA
AA-
(Very strong)
Stable outlook

Fitch Ratings
AA-
(Very strong)
Stable outlook

S&P Global
AA-
(Very strong)
Stable outlook

The metrics above include alternative performance measures (APMs). See page 21 for definitions.

Chief Executive's statement

"The market has produced a solid result for members over the first half of the year, our outlook for 2026 is unchanged and the pipeline of high-quality underwriting talent looking to join Lloyd's remains strong."

The first half of 2026 has provided further evidence we are now operating in a world that is structurally disorderly rather than just passing through a period of heightened volatility.

The infrastructure foundations on which our industry has based many of its assumptions over the past 80 years are becoming less stable. We see this across four main areas: physical infrastructure; data and cyber infrastructure; financial, banking and clearing infrastructure; and the rules-based infrastructure on which global trade is based.

None of the threats to this crucial infrastructure is wholly new. What is unprecedented is that they are all in play at once, interacting and compounding in ways that are difficult to anticipate.

Against that backdrop, the syndicates operating in the Lloyd's market delivered a solid aggregate set of results for the six months ended 30 June 2026. Gross written premium increased by 6.9% (HY 2025: 6.2%), driven by growth from new business and new entrants to the market. A combined ratio of 90.8% (HY 2025: 92.5%) drove underwriting profit of £1.9bn (HY 2025: £1.5bn).

Investment return was weaker than expected at £1.8bn (HY 2025: £3.2bn) due to unrealised losses on the fixed income portfolio as a result of increasing yields.

Profit before tax of £3.5bn (HY 2025: £4.2bn) was in line with guidance and 16.8% lower than the same period in 2025.

This is a solid start to the year. But strong performance and high risk are far from mutually exclusive. From a pricing and risk environment perspective, we see the outlook weighted to the downside from this current high point in performance. Underwriting discipline and innovation are the keys to maintaining outperformance and quality of earnings.

Rates across the Lloyd's market declined by (6.7)% in the first half. While our assessment of long term rate adequacy remains above the level required to deliver a 95% net combined ratio, the continuing erosion of adequacy in core markets comes as an array of risk signals are flashing more urgently.

Our outlook for the full year is unchanged. We continue to expect gross written premium of £64bn (plus or minus 5%) and a combined ratio of between 90% and 95%.

A more complex risk environment

Notwithstanding the current El Niño conditions and lower predictions for the North Atlantic hurricane season, the underlying pressures on physical infrastructure continue to build.

Infrastructure is ageing. Threats from fire, flood and drought are being driven or amplified by climate change. Demographic shifts, the rising value of assets and legal system abuse have resulted in inflated claims costs. Incidents of terrorism, political violence and acts of war are on the rise.

The industry has decades of experience in understanding and underwriting many of these physical risks. But their frequency, severity and concentration are all increasing.

Economies are more reliant than ever on digital infrastructure like cloud infrastructure and subsea cables. Meanwhile, cyber warfare and the weaponisation of AI are increasing both the range of potential threats and the speed at which they can develop.

Banking, clearing systems and other financial infrastructure create potential chokepoints through which geopolitical and economic pressure can be applied. Sanctions and other forms of economic warfare can have consequences well beyond their intended targets. We saw this after the invasion of Ukraine, particularly in aviation losses, even where the underlying physical risk had not fundamentally changed.

Chief Executive's statement

continued

Finally, there is every possibility the international order could fragment further over the coming years, with less global consensus and more unilateral state action. That could result in heightened geopolitical instability, faster-moving conflicts and reduced warning time as diplomacy becomes less effective.

In parallel, a more self-interested global environment may drive greater use of tariffs, sanctions and trade restrictions, creating economic volatility, fiscal pressure and weaker global growth.

The industry has experience of many of these individual threats. We have much less experience of managing so many of them simultaneously. Physical damage can trigger cyber disruption; cyber attacks can disable financial infrastructure; sanctions can alter the insurability of assets overnight; and geopolitical fragmentation reduces the possibility of multi-lateral approaches to managing these risks.

The continuing conflict in the Middle East has been a prime example. First and foremost, there is the human cost and continuing uncertainty for communities across the region. But the commercial and insurance implications are also significant.

Our experience of past major events in the region and elsewhere has informed our modelling and response. We continue to assess not simply current exposures but how the situation might evolve, including through the development of second-order effects driven by inflation, energy security, affordability and availability, sanctions, supply chain stress and wider economic disruption.

But our role cannot simply be to understand risk. Rather it must be to help our stakeholders navigate it. Notwithstanding some frustration and misinterpretation in the days immediately following the outbreak of hostilities at the end of February, the Lloyd's market has continued to provide cover and expert advice to its clients throughout the conflict.

Underwriters worked through the initial weekend, some sleeping in their offices, as they continued to assess and quote maritime and other relevant risks.

> **"This was the market yet again doing what it does best: bringing both expertise and capital to bear on a crisis so that commerce can continue even when uncertainty is at its greatest."**

Here was further proof of their dedication to long-standing customer and broker relationships.

The quotes kept coming, even when shipowners chose not to take them up because the risks to crews and vessels were simply too great. The market has also responded with additional capacity, including new marine war facilities (for example, those led by Chubb and Beazley) to prepare for a range of potential scenarios. This was the market yet again doing what it does best: bringing both expertise and capital to bear on a crisis so that commerce can continue even when uncertainty is at its greatest.

At the Corporation, we proactively engaged with governments around the world and their London embassies to share critical insight on market dynamics and risk intelligence. It is a delicate balance to advocate for the market while maintaining discretion and retaining the trust of those making critical decisions.

We will work with the market to make our terminology clearer and prevent any confusion at critical moments. Thank you for your continuing trust. There are lessons to be learned in every crisis, but rest assured, we will always work tirelessly with the market's wellbeing and long-term interests at heart in such situations.

Based on exposures and damage observed to date, we do not currently expect the situation to constitute a capital event for the Lloyd's market or to have a material impact on the P&L.

At the time of writing, transits through the Strait remain significantly below pre-crisis levels. We continue to monitor the situation closely and evaluate a range of possible scenarios for the evolution of the current conflict.

Moving to other major losses in the period, global insured losses from natural catastrophes in the first half have been reported at around $44 billion, below recent inflation-adjusted averages. At Lloyd's major losses were £1.4bn, 32% below H1 2025.

Yet that relatively benign headline masks a more important fact: only around 40% of global economic losses from natural disasters were insured. This stark fact points to a broader challenge.

Closing the "perception gap"

The insurance industry is continually challenged about the "protection gap" – the widening difference between economic losses and insured losses.

It's a reasonable concern. Data shows that countries with deeper insurance penetration tend to allocate capital more efficiently, recover from shocks faster and enjoy longer periods of growth. There is a direct correlation between insurance take up and economic performance.

The picture varies in different parts of the world. In developing countries, lower incomes, less mature insurance markets and different economic structures can make it very difficult for private insurance alone to provide sufficient protection.

State intervention is often necessary to make risks insurable or coverage affordable. One example is the Insurance Development Forum's great work in structuring a CAT bond to help Jamaica stabilise its credit rating following the economic devastation of Hurricane Melissa.

And, even in advanced economies, some risks have become too expensive for many households and businesses to reasonably bear.

Chief Executive's statement

continued

In such circumstances, government or state backed schemes have been effective in providing relief from extreme tail or systemic events. Prime examples include TRIA and Pool Re for terrorism and NFIP and Flood Re for flood.

Governments also intervened on an extraordinary scale during the financial crisis and the pandemic. But past intervention is no guarantee of future capacity. Public finances are under increasing pressure just as the potential scale and range of systemic risks are growing.

Yet across many advanced economies, some companies are deciding not to take out insurance where it is available. And not every decision to go uninsured or underinsured is necessarily the product of an affordability calculation. There is also an assumption that failure to protect the company's assets will go unpunished, or worse, that poor risk management decisions, wilful or otherwise, will be rewarded with protection from public funds.

Alongside the protection gap, we therefore need to consider a "perception gap": the difference between who believes they will bear a risk and who will actually shoulder it when the loss occurs. Closing that gap requires greater clarity about who is responsible for what.

Governments play an essential role – especially where extreme tail risks exceed reasonable commercial capacity. But the guiding principle here must surely be that the state provides protection for those that cannot afford it, not those who choose not to pay.

Providing clarity about this would help in two ways. First, it would mean that public resources are more likely to be directed towards those who cannot protect themselves (rather than to risk takers who are inclined to privatise any upside and socialise any downside).

Second, it would make sure that those risks that can be insured are covered by private capital, thereby spreading risk across a larger pool of policyholders and a broader base of capital, helping improve affordability over time.

There is a huge opportunity, at a time when the market is softening but profits are at record levels and capital is being drawn to our industry, to make the economic case for greater use of insurance, not simply to provide protection when things go wrong, but to prevent losses, improve resilience and support stronger economic performance. I believe Lloyd's has a central role to play around the world to make the economic argument for growth driven by more informed allocation of insurable risk to private capital.

Another avenue for structural growth for the industry must be in following the investment of private and public capital in the areas of defence, energy and infrastructure. The growing concentration of capacity in core markets suggests we are in danger of missing this opportunity, with competition driving capital towards familiar risks – weakening terms and pricing – rather than towards the new risks emerging around us.

Meeting these challenges will require us to harness the full power of the Lloyd's market to help manage the risks others cannot. That will require us to move beyond isolated innovations in products, capital or structures.

Instead, we must work towards total innovation with the whole system operating in concert to expand the boundaries of the possible. The aim is to make innovation the natural operating rhythm of the market, so that Lloyd's reflexively embraces emerging and complex risks as potential opportunities.

We are working to demonstrably expand our appetite, making it easier for syndicates and members to pursue opportunities where they see a clear economic case for growth, innovation or reimagining risk to close both the protection and perception gaps.

Differentiated oversight

Such ambition can never come at the expense of underwriting discipline. As the pricing cycle softens, we are becoming increasingly selective about business entering the market. As ever, all applications are assessed against our combined ratio and return on capital requirements.

We are currently turning away more new business than we accept. Only about 20% of the applications received by third-party managing agents are passed on to Lloyd's. And, of those that reached us last year, we declined £5.1bn worth of business.

Our objective is neither to constrain the market nor impose a single view of risk. Lloyd's will remain open to new businesses and new capital – we want attractive risks to come to this market – but growth must be accretive and margins adequate. We will not pursue growth or premium for its own sake.

We will take a differentiated and proportionate approach to oversight. Syndicates with strong cycle-management capabilities should have greater freedom to deliver disciplined plans. Where capability or underwriting discipline is weaker, oversight will increase as conditions become more challenging.

Let there be no doubt: underwriting discipline starts with the market itself. It should be inherent in how managing agents run their businesses; Lloyd's oversight will escalate where this is absent.

"Growth must be accretive and margins adequate. We will not pursue growth or premium for its own sake."

Chief Executive's statement

continued

Delivering our strategy

The strategy we launched in March is similarly focussed on the primacy of the market. It is focussed on deploying Lloyd's distinctive strengths to deliver four outcomes: leading underwriting performance; an efficient and flexible marketplace; maximising Lloyd's capital advantage; and building a Lloyd's to be proud of.

Delivering it requires us to do two things simultaneously: protect and advance the market.

Protecting the market means maintaining the stability, discipline and service on which Lloyd's reputation depends. Advancing the market requires us to reduce the cost and friction of operating at Lloyd's, provide greater flexibility, modernise our use of technology and data, and build the capabilities required for future innovation.

I'm convinced that, in the current environment, the risk of doing nothing is greater than that of waiting. That means the safest course of action is to be bolder.

We must preserve confidence and performance while moving faster where change will make Lloyd's stronger.

We will fund that change responsibly. Our "save to invest" commitment means we will be making the hard choices within the Corporation's existing cost base: stopping or scaling back work that does not support our strategic outcomes and redirecting resources towards the capabilities that matter most to the market.

We will report progress transparently, including structured updates at the half-year and full-year results and the annual general meeting.

In addition:

- We will provide the Council of Lloyd's with comprehensive KPIs tracking progress against the strategic drivers, with regular updates and detailed reviews at the Council strategy days in February and July.
- We will ensure transparency by sharing an annual budget with the LMA in January each year.
- The activities required to deliver the strategy will be funded through the existing market charges, while we drive towards the 80% cost-income ratio.
- We will continue to engage the market on material decisions.

Governance and trust

In July, we concluded the investigation into the former Lloyd's Chief Executive and other senior leaders in the Corporation. The investigation identified conduct and governance failures that fell well below the standards we expect at Lloyd's, including serious failures in the handling and escalation of whistleblowing reports.

I want to thank those who supported the investigation, particularly the witnesses and whistleblowers who came forward.

We have acted on the findings of the investigation. Following a review commissioned by Sir Charles Roxburgh shortly after taking up his role, we have strengthened Council oversight, revised committee structures and senior appointment procedures, enhanced disclosure requirements and introduced a formal duty of candour for me as Chief Executive. We have also strengthened our management of conflicts and the escalation of whistleblowing reports and have updated the Lloyd's Code of Conduct.

Processes and structures matter, but they are only part of the answer. Trust and integrity ultimately depend on culture, judgement and personal accountability. Everyone at Lloyd's, whatever their seniority, has a responsibility to uphold the standards we expect, and anyone who raises a concern must have confidence that it will be heard and acted upon.

The choices ahead

The market has produced a solid result for members over the first half of the year, our outlook for 2026 is unchanged and the pipeline of high-quality underwriting talent looking to join Lloyd's remains strong.

However, the 2027 planning season will be different. As the underwriting conditions become more challenging, we should not expect growth in core markets. Our priority must be to protect underwriting quality and sustainable returns.

That makes innovation more important, not less. If growth in established areas becomes harder to justify, we need to be better and faster at finding the risks where Lloyd's expertise and capital can make a genuine difference.

We need to create new opportunities rather than lower our standards to pursue old ones.

Before I conclude, I would like to express my thanks.

To the market, for your continued trust and for delivering consistently strong results.

To our members, whose continuing capital support makes everything this market does possible.

To my colleagues at Lloyd's: thank you for your commitment and resilience and for the trust you continue to place in the organisation and in each other. Seeing that reflected in our latest engagement score has been a personal highlight of the first half of this year.

And, lastly, to all our stakeholders around the world who rely on Lloyd's and place their trust in this market: thank you.

There will be harder choices ahead. We are fortunate to be able to make them from a position of strength, clear about the standards we expect, the opportunities we want to pursue and the role Lloyd's can play in helping society face the risks ahead.

Thank you. Stay safe and well.

Patrick Tiernan
Chief Executive

Market interim financial review

Market results

The Lloyd's market delivered a solid underwriting performance in the first half of 2026, reporting an underwriting profit of £1,919m (HY 2025: £1,505m) and a combined ratio of 90.8% (HY 2025: 92.5%). Underwriting profitability remained robust despite losses arising from the Middle East conflict. Net investment return of £1,795m (HY 2025: £3,168m) was impacted by adverse mark-to-market movements on fixed income portfolios, as higher interest rates and geopolitical uncertainty resulted in unrealised investment losses. After accounting for foreign exchange gains of £45m (HY 2025: £(227)m losses) and other net expenses of £(223)m (HY 2025: £(197)m), the market reported an overall profit before tax of £3,536m (HY 2025: £4,249m). The market's results demonstrate continued underwriting strength and resilience despite ongoing geopolitical and economic uncertainty.

Underwriting result

Gross written premium increased by 6.9% to £34,710m (HY 2025: £32,470m) for the six months ended 30 June 2026, driven by continued growth from both new (6.6%) and existing (9.2%) syndicates of 15.8%, partially offset by adverse foreign exchange movements of (2.2)% due to a stronger average sterling exchange rate against the US dollar. Pricing conditions continued to soften during the period, with a risk-adjusted rate change of (6.7)% (HY 2025: (3.5)%), reflecting continued pricing pressure across a range of classes, particularly in Property and Reinsurance. Despite ongoing pricing pressure, premium growth remained strong, supported by increases in underwriting capacity, new syndicate participation including through our innovative London Bridge 2 structure, targeted growth in selected classes and continued expansion in Portfolio Solutions offerings. Reinsurance continued to be the largest contributor to premium growth, reflecting both business expansion and recent new entrants to the market.

The market reported an underwriting profit of £1,919m (HY 2025: £1,505m), resulting in a combined ratio of 90.8% (HY 2025: 92.5%). Underwriting profitability remained robust despite £1.4bn of losses arising from the Middle East conflict. Major claims contributed 6.8% to the combined ratio (HY 2025: 10.4%), with the year-on-year improvement reflecting a lower level of catastrophe losses than the prior period, which was significantly impacted by the California wildfires. Excluding major claims, the market reported an underlying combined ratio of 84.0% (HY 2025: 82.1%) and an attritional loss ratio of 51.1% (HY 2025: 48.3%). Prior year reserve releases benefited the combined ratio by 3.5 percentage points (HY 2025: 2.0 percentage points), reflecting favourable catastrophe and attritional claims experience across multiple classes and underwriting years. These releases were partially offset by reserve strengthening on the Baltimore Bridge loss, updated Ukraine loss estimates and adverse development on certain legacy portfolios.

The expense ratio increased to 36.4% (HY 2025: 35.8%), driven primarily by higher acquisition costs, reflecting a shift in business mix towards higher commission business and increased profit commission expenses associated with strong underwriting performance.

Investment review

The market reported a net investment return of £1,795m or 1.6% for the first six months of 2026 (HY 2025: £3,168m, 3.1%), comprising investment income of £1,337m (HY 2025: £1,307m) and realised gains of £228m (HY 2025: £246m). Investment returns were lower than the prior period, reflecting adverse mark-to-market movements on fixed income portfolios, which resulted in unrealised losses of £(421)m (HY 2025: £724m gains). Notional investment return on members' funds at Lloyd's was £652m (HY 2025: £947m). Although financial markets recovered from the volatility experienced earlier in the year, FAL returns remained below the prior period.

The first half of 2026 was characterised by heightened geopolitical uncertainty and volatility across financial markets. Interest rate expectations shifted during the period as investors responded to concerns around inflation, fiscal policy and geopolitical developments. Despite these conditions, the portfolio continued to show investment resilience, reflecting its predominantly high-quality government and corporate bond holdings.

Balance sheet

The Lloyd's market continues to be very strongly capitalised with total capital, reserves and subordinated loan notes of £48,403m at 30 June 2026 (FY 2025: £49,825m). Underlying capital generation in the first half of the year was offset by the return of capital to members, reflecting the strong performance of the closing underwriting year of account.

The Lloyd's central and market-wide solvency ratios remained strong at 30 June 2026. The central solvency ratio increased to 503% (FY 2025: 496%), while the market-wide solvency ratio was stable at 199% (FY 2025: 200%). Capital generation from underwriting and investment performance was partially offset by a higher solvency capital requirement, largely attributable to the strengthening of US dollar spot rates against sterling during the period, and by the release of surplus capital to members.

Lloyd's financial strength continues to be recognised by leading rating agencies, with current ratings of A+ (AM Best) and AA- (Fitch, KBRA and S&P Global), underpinned by its robust capitalisation, diversified capital structure, strong operating performance, global licence network and the protection afforded by the Chain of Security.

Statement of Council's responsibilities

Statement of Council's responsibilities in respect of the Interim Pro Forma Financial Statements

The Interim Pro Forma Financial Statements (interim PFFS) are prepared so that the financial results of the Society of Lloyd's (the Society) and its members taken together, and their net assets, can be compared as closely as possible with general insurance companies.

The Council of Lloyd's is responsible for the preparation and approval of the interim PFFS in accordance with the basis of preparation set out in note 2.

The maintenance and integrity of the Lloyd's website is the responsibility of the Council of Lloyd's; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation of financial statements may differ from legislation in other jurisdictions.

Interim Pro Forma Financial Statements

The interim PFFS present the financial results of the Society and its members. Lloyd's is not an insurance company. It is a Society of members, both corporate and individual, which underwrite insurance via syndicates. These syndicates can comprise one single corporate member or any number of corporate and individual members, underwriting severally for their own account.

The interim PFFS have been prepared by aggregating financial information reported in interim syndicate accounts, members' funds at Lloyd's (FAL), the Society of Lloyd's and any central adjustments (see note 2).

Pro Forma Profit and Loss Account and Statement of Comprehensive Income

(For the six months ended 30 June 2026)

Profit and Loss Account	Note	Six months ended 30 June 2026 £m	Six months ended 30 June 2025 £m
Technical account			
Gross written premiums	8	34,710	32,470
Outward reinsurance premiums		(9,652)	(9,032)
Net written premiums		**25,058**	**23,438**
Change in gross provision for unearned premiums		(7,603)	(6,362)
Change in provision for unearned premiums, reinsurers' share		3,369	2,898
Change in net provision for unearned premiums		**(4,234)**	**(3,464)**
Earned premiums, net of reinsurance		**20,824**	**19,974**
Allocated investment return transferred from the non-technical account	8	**919**	**1,939**
Gross claims paid		(12,215)	(14,088)
Claims paid, reinsurers' share		3,936	4,361
Net claims paid		**(8,279)**	**(9,727)**
Change in provision for gross claims		(2,878)	(1,337)
Change in provision for claims, reinsurers' share		(168)	(258)
Change in net provision for claims		**(3,046)**	**(1,595)**
Claims incurred, net of reinsurance		**(11,325)**	**(11,322)**
Net operating expenses	9	(7,580)	(7,147)
Balance on the technical account for general business		**2,838**	**3,444**

Profit and Loss Account	Note	Six months ended 30 June 2026 £m	Six months ended 30 June 2025 £m
Non-technical account			
Balance on the technical account for general business		**2,838**	**3,444**
Investment return on syndicate assets		1,006	2,059
Notional investment return on members' funds at Lloyd's	5	652	947
Investment return on Society assets		137	162
Total investment return		**1,795**	**3,168**
Allocated investment return transferred to the technical account		**(919)**	**(1,939)**
Gain/(loss) on foreign exchange		45	(227)
Other income		35	69
Other expenses		(258)	(266)
Result for the financial period before tax	7	**3,536**	**4,249**

Statement of Comprehensive Income	Note	Six months ended 30 June 2026 £m	Six months ended 30 June 2025 £m
Result for the financial period before tax	7	**3,536**	**4,249**
Currency translation differences		120	(876)
Other comprehensive gains		–	14
Other comprehensive expense		(18)	(11)
Remeasurement gain/(loss) on pension assets and liabilities in the Society accounts		17	(6)
Total comprehensive income for the financial period		**3,655**	**3,370**

All operations relate to continuing activities.

Pro Forma Balance Sheet

(As at 30 June 2026)

	Note	30 June 2026 £m	31 December 2025 £m
Financial investments	10	96,712	97,140
Deposits with ceding undertakings		102	126
Provision for unearned premiums		9,487	6,002
Claims outstanding		25,933	25,833
Reinsurers' share of technical provisions		**35,420**	**31,835**
Debtors arising out of direct insurance operations		21,329	17,995
Debtors arising out of reinsurance operations		13,387	9,798
Other debtors		1,423	1,351
Debtors		**36,139**	**29,144**
Tangible assets		168	37
Cash at bank and in hand	11	12,764	12,061
Other		3,053	2,979
Other assets		**15,985**	**15,077**
Accrued interest and rent		350	335
Deferred acquisition costs		8,398	6,905
Other prepayments and accrued income		466	455
Prepayments and accrued income		**9,214**	**7,695**
Total assets		**193,572**	**181,017**

Comparative values for other debtors, other creditors including taxation and amounts owed to credit institutions have been reclassified, for the year ended 31 December 2025. Refer to Note 3(c).

	Note	30 June 2026 £m	31 December 2025 £m
Members' funds at Lloyd's	5	34,478	31,132
Members' balances	12	11,224	15,981
Members' assets (held severally)		**45,702**	**47,113**
Central reserves (mutual assets)		2,403	2,414
Total capital and reserves	7	**48,105**	**49,527**
Subordinated loan notes		298	298
Total capital, reserves and subordinated loan notes		**48,403**	**49,825**
Provision for unearned premiums		36,729	28,808
Claims outstanding		88,374	84,643
Technical provisions		**125,103**	**113,451**
Deposits received from reinsurers		961	985
Creditors arising out of direct insurance operations		1,359	1,214
Creditors arising out of reinsurance operations		12,229	9,155
Other creditors including taxation		2,685	3,836
Amounts owed to credit institutions		420	295
Senior debt		303	303
Creditors		**16,996**	**14,803**
Accruals and deferred income		2,109	1,953
Total capital, reserves and liabilities		**193,572**	**181,017**

The Interim Pro Forma Financial Statements on pages 10 to 18 were approved by the Council on 2 September 2026 and signed on its behalf by:

Sir Charles Roxburgh
Chair of Lloyd's

Patrick Tiernan
Chief Executive

Pro Forma Statement of Cash Flows

(For the six months ended 30 June 2026)

	Note	Six months ended 30 June 2026 £m	Six months ended 30 June 2025 (Restated) £m
Result for the financial period before tax		3,536	4,249
Increase in gross technical provisions		10,629	6,654
Increase in reinsurers' gross technical provisions		(3,360)	(2,057)
Increase in debtors		(7,059)	(6,535)
Increase in creditors		2,977	2,511
Movement in other assets/liabilities		(1,191)	(1,109)
Investment return		(1,795)	(3,220)
Depreciation, amortisation and impairment charge		21	12
Tax paid		(31)	(57)
Foreign exchange		(72)	650
Other		(57)	13
Net cash flows from operating activities		**3,598**	**1,111**
Cash flows from investing activities			
Purchase of equity and debt instruments		(29,020)	(26,296)
Sale of equity and debt instruments		31,028	28,048
Purchase of derivatives		(253)	(107)
Sale of derivatives		245	126
Investment income received		1,394	1,356
Other		26	172
Net cash flows from investing activities		**3,420**	**3,299**

	Note	Six months ended 30 June 2026 £m	Six months ended 30 June 2025 (Restated) £m
Cash flows from financing activities			
Net (distribution of profits)/collection of losses		(7,522)	(4,186)
Net capital transferred into/(out of) syndicate premium trust funds		508	(437)
Interest paid on subordinated and senior loan notes		(19)	(19)
Net movement in members' funds at Lloyd's		418	(263)
Other		47	154
Net cash flows from financing activities		**(6,568)**	**(4,751)**
Net increase/(decrease) in cash and cash equivalents		**450**	**(341)**
Cash and cash equivalents at the beginning of the period		16,036	15,152
Foreign exchange difference on cash and cash equivalents		78	(377)
Cash and cash equivalents at the end of the period	13	**16,564**	**14,434**

Comparative values for the period ended 30 June 2025 have been restated - refer to note 3(c) for details of the restatement.

Notes to the Interim Pro Forma Financial Statements

(For the six months ended 30 June 2026)

1. The Interim Pro Forma Financial Statements

The Interim Pro Forma Financial Statements (interim PFFS) are prepared so that the financial results of Lloyd's and its members taken together, and their net assets, can be compared as closely as possible with general insurance companies.

2. Basis of preparation

General

The interim PFFS for the six months ended 30 June 2026 have been prepared by aggregating financial information reported in interim syndicate accounts, members' funds at Lloyd's (FAL), the Society of Lloyd's (the 'Society') and any central adjustments.

The interim syndicate accounts have not been audited but have been subject to review by the syndicate auditors. In their reports on the interim syndicate accounts, syndicate auditors are required to state whether they are aware of any material modifications that should be made to the financial information presented in those accounts.

The interim PFFS, where practicable, have been prepared in compliance with United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice (UK GAAP)), including Financial Reporting Standard 104 (FRS 104), Financial Reporting Standard 102 (FRS 102) and the applicable Accounting Standard on insurance contracts, Financial Reporting Standard 103 (FRS 103).

Application of UK GAAP is not practicable for the following items:

- Use of the aggregation basis to prepare the interim PFFS;
- Notional investment return on members' FAL;
- The statement of changes in equity;
- Taxation; and
- Related party transactions.

The approach taken in preparing the interim PFFS is outlined in a) to e) below.

In preparing the interim PFFS, note disclosures have been included for those areas the Council considers material to enable the interim PFFS to depict a comprehensive view of the financial results and position of the Lloyd's market and to enable comparison with general insurance companies.

The Council has considered the environment in which the Society of Lloyd's and the Lloyd's market participants are operating and any associated risks which could have an impact on the reasonableness of financial information presented in the interim PFFS. Where appropriate, central adjustments have been included to reflect the impact of such risks.

Having assessed the principal risks, the Council considered it appropriate to adopt the going concern basis of accounting in preparing the interim PFFS.

(a) Aggregation

The interim PFFS have not been prepared in accordance with full consolidation principles and do not present a consolidated view of the results of the Lloyd's business taken as a single entity for the reasons detailed further below. However, the interim PFFS may be used as a reasonable presentation of the results and state of affairs of the Lloyd's market on a basis that is broadly comparable with general insurance companies.

The syndicates' financial information included in the interim PFFS has been prepared in accordance with the recognition and measurement requirements of UK accounting standards, by reference to the accounting policies that are deemed most appropriate by the managing agents. Where different accounting policies have been selected by managing agents, no adjustments are made to align the bases of recognition and measurement in the interim PFFS.

The interim syndicate accounts are prepared in multiple currencies. For aggregation purposes, the financial information of each syndicate is translated into Lloyd's presentational currency, pounds sterling, using the Lloyd's rates of exchange. Assets and liabilities are translated at the closing rate at the balance sheet date, while income and expenses are translated at average exchange rates for the period. Exchange differences arising on translation are recognised in other comprehensive income.

No adjustments are made to eliminate inter-syndicate transactions and balances, except for those relating to inter-syndicate loans, Special Purpose Arrangements (SPA) and reinsurance to close (RITC) arrangements between syndicates where material. Transactions between syndicates and the Society are also eliminated in the interim PFFS. These adjustments are described below.

Inter-syndicate loans

The interim syndicate accounts report debtor and creditor balances for inter-syndicate loans totalling £346m (FY 2025: £294m). These amounts have been eliminated from the amounts reported in the balance sheet to provide a more meaningful presentation of the balance sheet for users of the interim PFFS.

Special Purpose Arrangements (SPAs)

The aggregated interim syndicate accounts include the results and assets of SPAs. Due to the nature of SPAs, the quota share of the host syndicate's business is reported as gross written premium in both the host syndicate and SPA interim syndicate accounts. This leads to an overstatement of the original premium written by the whole Lloyd's market.

Notes to the Interim Pro Forma Financial Statements

continued

To provide users of the interim PFFS with a more meaningful presentation of the market's figures, all the transactions arising from the insurance contracts between the SPA and the host syndicates have been eliminated. The key impact of this elimination is that gross written premium is reduced by £241m (HY 2025: £317m). The elimination does not affect the interim PFFS result or the balance due to members. All other inter-syndicate reinsurance arrangements are included in full, with the exception of RITC transactions as detailed below.

Reinsurance to close arrangements between syndicates

The aggregated interim syndicate accounts include the results of the syndicates, including the arrangements where prior years of account are ceded to other syndicates. Due to the nature of the arrangements, the ceding and accepting syndicates report these as current period transactions impacting gross written premium, net earned premium and net incurred claims. This leads to an overstatement of such balances for the Lloyd's market as a whole. To provide users of the interim PFFS with a more meaningful presentation of the market's figures, RITC arrangements between syndicates for prior years of account are eliminated. The impact of the elimination is a £174m decrease in the change in provision for gross claims and a corresponding £174m increase in the change in provision for claims, reinsurers' share. There is no impact on the PFFS result or the balance due to members.

Transactions between syndicates and the Society

The following transactions have been eliminated:

- Central Fund contributions, members' subscriptions and other market charges levied by the Society are reported as net operating expenses in the interim syndicate accounts and as income in the Society result.
- Technical insurance-related transactions and balances existing between the syndicates and the subsidiaries of the Society are reported in both the interim syndicate accounts and in the Society result and financial position.
- Loans funding statutory insurance deposits and other deposits received from syndicates are reported as assets within the interim syndicate accounts and as liabilities in the Society financial position.

Central reserve margin (CRM)

Claims reserves reported in the pro forma balance sheet include a CRM of £1,400m (FY 2025: £1,150m) in addition to the reserves held by syndicates, to reflect the heightened risk of atypical reserve movement at an aggregate level. The CRM is reviewed biannually and any movement is reflected in the pro forma profit and loss account in that period.

(b) Notional investment return on members' funds at Lloyd's

A notional investment return on FAL has been estimated, which is the equivalent of insurance companies generating investment return on the capital that they hold to support their underwriting. Where Lloyd's is the investment manager for FAL, the actual return achieved has been included. For other assets, the notional investment return, net of management fees, is estimated on the average value of FAL during the year, based on yields from indices for each type of asset held. The typical investment return on bank deposits has been applied to FAL, provided in the form of letters of credit or bank guarantees. The actual return achieved on FAL investments will differ from the notional return due to individual stocks held, daily cash flows and transactional charges. Notional investment return on FAL is reported in the non-technical account.

Due to the estimation of the notional investment return, movements in FAL recorded within the financing section of the statement of cash flows comprises both cash and non-cash activity.

(c) Statement of changes in equity

Where Lloyd's is not the investment manager for FAL, actual changes are not available and therefore a statement of changes in equity has not been included. However, a statement of changes in members' balances has been included in note 12, which represents the changes in equity of the other components of the interim PFFS.

(d) Taxation

The interim PFFS reports the market's result before tax. Members are responsible for tax payable on their syndicate results and investment income on FAL. For consistency, the results of the Society are also included pre-tax in the interim PFFS profit and loss account.

(e) Related party transactions

Individual syndicates or their members do not disclose details of insurance and/or reinsurance transactions with other (non-related) syndicates or members within the market. Therefore, analysis and/or disclosure of these transactions within the Lloyd's market in the interim PFFS is not possible. The annual syndicate accounts of each syndicate or member provide, where appropriate, the required disclosures on related parties.

Notes to the Interim Pro Forma Financial Statements

continued

Members' funds at Lloyd's

FAL comprise the capital provided by members, which is generally held centrally, to support their underwriting, and are the equivalent of capital shown in insurance companies' accounts. The valuation of FAL has, therefore, been included in the pro forma balance sheet. FAL are available to meet cash calls made on the member in respect of a syndicate liability. The assets in FAL must be readily realisable and may include letters of credit and bank and other guarantees.

The total resources, including FAL, for members writing ongoing insurance must be at least equivalent to the aggregate of the member's Economic Capital Assessment (ECA) requirement and certain liabilities in respect of its underwriting business. Each member's ECA to support its underwriting at Lloyd's is determined using Lloyd's Solvency Capital Requirement to ultimate capital setting methodology.

Society result and financial position

The interim PFFS include the results and capital and reserves of the Society of Lloyd's, comprising the Society and its subsidiaries, the Lloyd's Central Fund and the Society's interest in associates and joint ventures. The Society's results have been prepared under UK GAAP.

3. Notes to the accounting policies

(a) General

The syndicate-level and Society information within the interim PFFS has been prepared in accordance with the recognition and measurement requirements of FRS 102 and FRS 103. These policies are consistent with those adopted in the PFFS in the 2025 Annual Report.

The accounting policies adopted are consistent with those applied to the PFFS as at and for the year ended 31 December 2025 and corresponding interim reporting period, except for the adoption of amendments to FRS 102 effective from 1 January 2026. The impact of these amendments, including the revised lease accounting requirements, is not material to the interim PFFS.

(b) Members' funds at Lloyd's

FAL are valued in accordance with their market value at the period end, and using period end exchange rates. Investments are stated at fair value at the balance sheet date. For this purpose, listed investments are stated at their bid price market value, and deposits with credit institutions and international deposits are stated at cost.

Unlisted investments for which a market exists are stated at the average price at which they are traded on the balance sheet date or the last trading day before that date. Letters of credit are stated at the amount guaranteed by the issuing credit institution.

As disclosed in the basis of preparation, a notional investment return on FAL is estimated, which is recognised in the non-technical account. Members that only participate in one syndicate may hold the capital supporting their underwriting in their syndicate's premium trust fund. Where a member takes advantage of this facility, the capital held in the premium trust fund is reported within members' balances and the investment return retained within the non-technical account. These policies are consistent with those adopted in the PFFS in the 2025 Annual Report.

(c) Consistency of presentation

Reclassification of comparative balance sheet position

During preparation of the 2026 Half Year Report, amounts presented within Amounts owed to credit institutions and Other creditors including taxation in the comparative balance sheet as at 31 December 2025 were identified as having been transposed. In addition, an inter-syndicate loan elimination of £294m had not been reflected in the comparative balance sheet presentation, resulting in an overstatement of debtors and creditors. The comparative balance sheet has therefore been reclassified to present £295m within Amounts owed to credit institutions and £4,130m within Other creditors including taxation. The comparative balance sheet has also been reclassified to reduce Other debtors by £254m, increase Creditors arising out of reinsurance operations by £40m and reduce Other creditors including taxation by £294m to reflect the inter-syndicate loan elimination. These reclassifications have no impact on net assets, profit or members' balances.

Restatements

The comparative cash flow information has been restated following amendments made by certain syndicates to previously reported comparative information. The restatement has no impact on total capital and reserves at 31 December 2025. The financial effect of the restatement on the comparative pro forma cash flow statement is summarised below.

Pro forma cash flow statement for the six months ended 30 June 2025	As previously reported £m	Restated amount £m	Change £m
Foreign exchange	749	650	(99)
Other cashflows from operating activities	20	13	(7)
Purchase of equity and debt instruments	(26,466)	(26,296)	170
Sale of equity and debt instruments	28,777	28,048	(729)
Net capital transferred out of syndicate premium trust funds	(954)	(437)	517
Net increase in cash and cash equivalents	**2,126**	**1,978**	**(148)**
Cash and cash equivalents at the beginning of the period	14,765	15,152	387
Foreign exchange on cash and cash equivalents	(313)	(377)	(64)
Cash and cash equivalents at the end of the period	**14,259**	**14,434**	**175**

Notes to the Interim Pro Forma Financial Statements

continued

As the underlying adjustments originate from syndicate level reporting submitted to Lloyd's, it is not practicable to provide further details regarding the nature of each individual restatement. Accordingly, the disclosures required by FRS 102 in relation to the nature of the underlying prior period adjustments have not been provided.

4. Critical accounting judgements and key sources of estimation uncertainty

The interim PFFS aggregate judgements, estimates and assumptions made by managing agents in respect of syndicate balances, and the Council in respect of the Society of Lloyd's and FAL balances. In preparing these condensed interim financial statements, the significant judgements and key sources of estimation uncertainty remain consistent with those applied in the preparation of the PFFS for the year ended 31 December 2025.

5. Members' funds at Lloyd's

The valuation of FAL in the balance sheet totals £34,478m (FY 2025: £31,132m). The notional investment return on FAL included in the non-technical profit and loss account totals £652m (HY 2025: £947m).

6. Society of Lloyd's

As stated in note 2(a), syndicates and the Society separately report the transactions and balances for technical insurance related transactions, members' subscriptions and other charges, Central Fund contributions and interest on syndicate loans within their respective financial records. These are eliminated through a central adjustment (refer to note 7) to arrive at the result which is included in the interim PFFS.

The interim results of the Society are not published in full as there is no longer a regulatory requirement to do so. However, the Society's pre-tax result and net assets are disclosed in note 7.

7. Aggregation of results and net assets

A reconciliation between the results, statement of other comprehensive income and net assets reported in the interim syndicate accounts, members' FAL and by the Society is set out below:

Profit and loss account	**Six months ended 30 June 2026 £m**	Six months ended 30 June 2025 £m
Result per interim syndicate accounts	2,836	3,462
Result of the Society before tax	298	46
Central adjustments	(250)	(206)
Notional investment return on members' funds at Lloyd's	652	947
Result for the financial period before tax	**3,536**	**4,249**

Capital and reserves	**30 June 2026 £m**	31 December 2025 £m
Net assets per interim syndicate accounts	11,224	15,981
Adjusted net assets of the Society	3,789	3,550
Central adjustments	(1,400)	(1,150)
Assets attributable to non-controlling interests	14	14
Members' funds at Lloyd's	34,478	31,132
Total capital and reserves	**48,105**	**49,527**

Central adjustments are described in note 2 and include the elimination of transactions between the syndicates and the Society and movements in the central reserve margin. The central reserve margin adjusted in capital and reserves at 30 June 2026 is £1,400m (FY 2025: £1,150m), with the movement in the period adjusted through the profit and loss account.

Notes to the Interim Pro Forma Financial Statements

continued

8. Segmental analysis

The interim syndicate accounts disclose a segmental analysis in accordance with the requirements of the Schedule 3 regulations (Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008), alongside additional analysis to facilitate the classification of the Schedule 3 classes in the Lloyd's aggregate classes of business shown below.

Six months ended 30 June 2026	Gross written premiums £m	Gross premiums earned £m	Gross claims incurred £m	Gross operating expenses £m	Reinsurance balance £m	Underwriting result £m
Property	7,155	6,174	(2,610)	(2,099)	(645)	820
Casualty	7,487	7,285	(4,324)	(2,492)	(298)	171
Marine, Aviation & Energy	3,987	3,439	(2,193)	(1,140)	(178)	(72)
Specialty	1,698	1,387	(1,304)	(486)	220	(183)
Life	17	16	(5)	(7)	(3)	1
Total direct insurance	**20,344**	**18,301**	**(10,436)**	**(6,224)**	**(904)**	**737**
Reinsurance acceptances	14,366	8,806	(4,657)	(2,533)	(793)	823
Total from syndicate operations	**34,710**	**27,107**	**(15,093)**	**(8,757)**	**(1,697)**	**1,560**
Transactions between syndicates and the Society (notes 2 and 7) and insurance operations of the Society	–	–	–	359	–	359
PFFS premiums and underwriting result	**34,710**	**27,107**	**(15,093)**	**(8,398)**	**(1,697)**	**1,919**
Allocated investment return transferred from the non-technical account						919
Balance on the technical account for general business						**2,838**

Six months ended 30 June 2025	Gross written premiums £m	Gross premiums earned £m	Gross claims incurred £m	Gross operating expenses £m	Reinsurance balance £m	Underwriting result £m
Property	7,024	5,832	(2,240)	(1,921)	(698)	973
Casualty	6,955	6,981	(4,035)	(2,483)	(351)	112
Marine, Aviation & Energy	3,715	3,215	(2,496)	(1,014)	132	(163)
Specialty	1,590	1,291	(395)	(463)	(210)	223
Life	19	19	(10)	(9)	(2)	(2)
Total direct insurance	**19,303**	**17,338**	**(9,176)**	**(5,890)**	**(1,129)**	**1,143**
Reinsurance acceptances	13,167	8,770	(6,249)	(2,368)	(179)	(26)
Total from syndicate operations	**32,470**	**26,108**	**(15,425)**	**(8,258)**	**(1,308)**	**1,117**
Transactions between syndicates and the Society (notes 2 and 7) and insurance operations of the Society	–	–	–	388	–	388
PFFS premiums and underwriting result	**32,470**	**26,108**	**(15,425)**	**(7,870)**	**(1,308)**	**1,505**
Allocated investment return transferred from the non-technical account						1,939
Balance on the technical account for general business						**3,444**

Notes to the Interim Pro Forma Financial Statements

continued

9. Net operating expenses

The following items have been charged/(credited) in arriving at the balance on the technical account for general business:

	Six months ended 30 June 2026 £m	Six months ended 30 June 2025 £m
Acquisition costs	8,064	7,213
Change in deferred acquisition costs	(1,476)	(1,138)
Administrative expenses	2,077	1,948
Reinsurance commissions and profit participation	(1,085)	(876)
Total net operating expenses	**7,580**	**7,147**

10. Financial investments

	30 June 2026 £m	31 December 2025 £m
Shares and other variable yield securities and units in unit trusts	13,742	13,520
Debt securities and other fixed income securities	71,026	72,308
Participation in investment pools	6,241	5,739
Loans and deposits with credit institutions	4,565	4,542
Other investments	1,138	1,031
Total financial investments	**96,712**	**97,140**

In accordance with FRS 104, entities are required to disclose the fair value hierarchy of financial investments under paragraph 16A(j). For the six months ended 30 June 2026, Lloyd's has elected not to include this disclosure within the interim PFFS. This approach is consistent with the reduced disclosure framework permitted under FRS 104, and reflects Lloyd's assessment of materiality and relevance for interim reporting purposes. Full disclosure will be provided in the Annual Report.

11. Cash at bank and in hand

Cash at bank and in hand of £12,764m (FY 2025: £12,061m) includes letters of credit and bank guarantees held in trust within members' FAL to meet policyholder claims as required, totalling £8,790m at 30 June 2026 (FY 2025: £8,372m).

12. Members' balances

	Six months ended 30 June 2026 £m	Six months ended 30 June 2025 £m
Members' balances brought forward at 1 January	15,981	13,533
Total comprehensive income per interim syndicate accounts	2,942	2,575
(Distribution of profit)/collection of losses	(8,315)	(5,049)
Cash calls	160	46
Net movement on funds in syndicate	494	(637)
Other changes in members' balances	(38)	68
Members' balances at 30 June	**11,224**	**10,536**

Members participate in syndicates by reference to years of account. Members' ultimate results, assets and liabilities are assessed by year of account with reference to policies incepting in that year of account. Members' balances represent the net profit/(loss) to be distributed/(collected) by syndicates to/(from) the members. Where there are profits and members' FAL held in excess of members' capital requirements, they will be distributed in the second quarter of the year following the closure of the year of account.

Members that only participate in one syndicate may hold the capital supporting their underwriting in their syndicate's premium trust funds. These funds are known as funds in syndicate (FIS). Where a member takes advantage of this facility in the year, the movement is reflected in the above table as 'net movement on funds in syndicate'.

13. Note to the statement of cash flows

Cash and cash equivalents comprise the following:

	30 June 2026 £m	31 December 2025 £m
Cash at bank and in hand	12,764	12,061
Deposits with credit institutions	662	1,089
Bank overdrafts	(420)	(342)
Short term debt instruments presented within other financial investments	3,558	3,228
Total	**16,564**	**16,036**

Of the cash and cash equivalents, £965m (FY 2025: £579m) is not available for use, including amounts held in regulated bank accounts in overseas jurisdictions.

Independent Limited Assurance Report of PricewaterhouseCoopers LLP to the Council of Lloyd's on the preparation of the 2026 Lloyd's Interim Pro Forma Financial Statements

The Council of Lloyd's engaged us to undertake a limited assurance engagement in respect of the preparation of the Interim Pro Forma Financial Statements ("the interim PFFS") for the 6 months ended 30 June 2026 as set out on pages 10 to 18 in Lloyd's Half Year Report 2026. The interim PFFS for the six months ended 30 June 2026 have been prepared by aggregating financial information reported in the interim syndicate accounts, members' funds at Lloyd's (FAL), the Society of Lloyd's (the 'Society') and by making the central adjustments set out in the Basis of Preparation.

Our conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the interim PFFS for the six months ended 30 June 2026 have not been prepared, in all material respects, in accordance with the basis of preparation set out in note 2.

This conclusion is to be read in the context of what we say in the remainder of our report.

Scope of work

The scope of our work was limited to assurance over the interim PFFS, prepared by the Council of Lloyd's, which comprise; the Pro Forma Balance Sheet as at 30 June 2026, the Pro Forma Profit and Loss Account and Statement of Comprehensive Income, the Pro Forma Statement of Cash Flows for the six months then ended and notes to the interim PFFS.

Our assurance does not extend to information in respect of earlier periods or to any other information included in the Lloyd's Half Year Report 2026 for the six months ended 30 June 2026.

The financial reporting framework that has been applied in the preparation of the interim PFFS is set out in note 2, the 'basis of preparation'.

Professional standards applied and level of assurance

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board.

Our independence and quality control

We complied with the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour that are at least as demanding as the applicable provisions of the International Ethics Standards Board for Accountants (IESBA)'s International Code of Ethics for Professional Accountants (including International Independence Standards).

We apply the International Standard on Quality Management (UK) 1 and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Work performed

We are required to plan and perform our work in order to address the areas where we have identified that a material misstatement is likely to arise in the compilation of the interim PFFS.

Our procedures consisted principally of:

- making enquiries to obtain an understanding of how the Council of Lloyd's has compiled the interim PFFS from the syndicate interim accounts, the financial information of the Society of Lloyd's and the Members' Funds at Lloyd's;
- obtaining an understanding of the nature of adjustments made to this information in the preparation of the interim PFFS; and applying review procedures over the compilation of the interim PFFS;
- reviewing key reconciliations over the Members' Funds at Lloyd's portfolio; and
- evaluating the overall presentation of the interim PFFS.

This work is performed in order to provide us with a basis for reporting whether anything has come to our attention that causes us to believe that the interim PFFS are not prepared, in all material respects, in accordance with the basis of preparation set out in note 2. We do not independently assess and do not conclude on the appropriateness of that basis of preparation.

Our work also did not involve assessing the quality of the International Standard on Review Engagements (UK) 2410 (Revised) ('ISRE 2410 (R)') reviews performed by the respective auditors over the syndicate interim accounts nor performing any audit or review procedures over the financial or other information of the syndicates or Society of Lloyd's.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Independent Limited Assurance Report of PricewaterhouseCoopers LLP to the Council of Lloyd's on the preparation of the 2026 Lloyd's Interim Pro Forma Financial Statements

continued

The responsibilities of the Council of Lloyd's and our responsibilities

The Council of Lloyd's is responsible for establishing and determining the suitability of the basis for preparing the interim PFFS and the preparation and approval of the interim PFFS in accordance with that basis of preparation. According to the Statement of Council's Responsibilities and Lloyd's Interim Report, the interim PFFS are prepared so that the financial results of the Society of Lloyd's and its members taken together, and their net assets, can be compared as closely as possible with the interim financial reports of general insurance companies.

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the compilation of the interim PFFS is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Council of Lloyd's.

Intended users and purpose

This report, including our conclusion, has been prepared solely for the Council of Lloyd's in accordance with our engagement letter dated 20 May 2026. Our examination has been undertaken so that we might state to the Council of Lloyd's those matters which have come to our attention in accordance with the engagement letter and for no other purpose. We permit this report to be disclosed in the Lloyd's Half Year Report 2026, to assist the Council of Lloyd's in responding to their governance responsibilities by obtaining an independent assurance report in connection with the preparation of the interim PFFS. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Lloyd's for our work or this report, except where terms are expressly agreed between us in writing.

PricewaterhouseCoopers LLP
Chartered Accountants

London

2 September 2026

Alternative performance measures

The following metrics, which are consistently used to analyse financial performance in Lloyd's market results, are considered to be alternative performance measures (APMs). These measures are not defined under UK GAAP and may not be comparable with similarly titled measures presented by other companies.

Metric	Definition	Reason for use
Combined ratio	A measure of the profitability of an insurer's underwriting activity. It is the ratio of net operating expenses plus claims incurred net of reinsurance to earned premiums net of reinsurance.	Used to measure the profitability of the underwriting activity across the Lloyd's market. It also serves as a comparator of Lloyd's market underwriting profitability to its peers.
Expense ratio	A measure of the level of expenses associated with underwriting activity. It is the ratio of net operating expenses to earned premiums net of reinsurance.	Used to measure the level of expenses associated with underwriting activity across the Lloyd's market. It also serves as a comparator of Lloyd's market expenses to its peers.
Underlying combined ratio	A measure of the profitability of underwriting activity excluding major claims. It is the ratio of net operating expenses plus claims incurred, excluding major claims, to earned premium net of reinsurance.	Used to measure the profitability of the underwriting activity of the Lloyd's market, excluding the impact of major claims.
Underwriting result	A measure of the profitability of an insurer's underwriting activity. It is earned premiums net of reinsurance less net operating expenses and claims incurred net of reinsurance.	Used to measure the profitability of the underwriting activity across the Lloyd's market.
Attritional loss ratio	A measure of residual insurance claims as a percentage of earned premiums net of reinsurance. Attritional insurance claims are calculated as total claims, less major losses and movements in prior year claims reserves.	Used to measure the profitability of general underwriting activity across the Lloyd's market. It also serves as a comparator of Lloyd's market underwriting profitability to its peers.
Prior year release ratio	A measure of assessing prior year movements in claims reserves. It is calculated as a percentage of earned premiums net of reinsurance.	Used to determine the adequacy of reserves across the Lloyd's market and the benefit of reserve margin to be considered within the combined ratio. It also serves as a comparator of Lloyd's market underwriting profitability to its peers.
Major claims ratio	A measure of significant loss events which have impacted the profitability of underwriting activity. It is calculated as the sum of major claims in the market as a percentage of earned premiums net of reinsurance.	Used to measure the impact of significant loss events against the underwriting performance of the market. It also serves as a comparator of Lloyd's market underwriting profitability to its peers.
Investment return	A measure of performance of an insurer's investing activity. When expressed as a ratio it is calculated as total investment return to the average of opening and closing financial investments and cash at bank and in hand.	Used to measure the performance of the portfolio of investments and cash balances held across the Lloyd's market.
Return on capital	A measure of overall profitability. It 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.	Used to measure the overall profitability and value creating potential of the Lloyd's market.
Solvency coverage ratio	Under the UK Solvency II regime Lloyd's monitors the amount of eligible capital available to cover its market-wide SCR (MWSCR) and central SCR (CSCR). This is calculated as total eligible capital as a percentage of the respective solvency capital requirements.	Used to measure that the Society and its members hold sufficient capital to meet Lloyd's regulatory capital requirements, as well as to ensure Lloyd's solvency risk appetites are satisfied.

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