

Lloyd's of London and Lloyd's Insurance Company S.A.

ANALYTICAL CONTACTS

Garret Tynan

Senior Managing Director,
European Head Project
Finance and Infrastructure
+353 1 588 1235
garret.tynan@kbra.com

Carol Pierce

Senior Director
+1 646-731-3307
carol.pierce@kbra.com

Jonathan Harris

Senior Director
+1 646-731-1235
jonathan.harris@kbra.com

Peter Giacone

Senior Managing Director
+1 646-731-2407
peter.giacone@kbra.com

METHODOLOGY

[Insurance: Insurer & Insurance Holding Company Global Rating Methodology](#)

Ratings

Description	Type	Rating Action	Rating/Outlook or Watch
Operating Companies			
Lloyd's of London	IFSR	Affirmed	AA- / Stable
Lloyd's Insurance Company S.A.	IFSR	Affirmed	AA- / Stable

Rating Summary

The ratings reflect Lloyd's very strong global franchise as a leading specialty insurance and reinsurance marketplace, robust policyholder security supported by the Chain of Security and Central Fund framework, very strong capitalisation, sound liquidity, strong reserve position, and comprehensive market oversight and ERM framework. The ratings also reflect Lloyd's demonstrated access to capital, including through London Bridge 2, and the unique credit support provided by the Society's statutory and byelaw-based powers to levy member contributions. These strengths are partially offset by Lloyd's structural exposure to catastrophe, geopolitical and systemic event risk, the increasing complexity of new entrants and capital structures, mark-to-market investment volatility, and execution risk associated with the Advance and Protect strategy, technology modernisation, operational resilience and data improvements.

Outlook

The Stable Outlook reflects KBRA's expectation that Lloyd's will maintain its very strong franchise position, robust capitalisation, sound liquidity, effective market oversight and strong policyholder security while navigating a more challenging phase of the underwriting cycle. The Stable Outlook also reflects Lloyd's materially enhanced central solvency position, the depth of the Chain of Security, its demonstrated ability to attract capital, and the unique credit support provided by the Central Fund and the Society's statutory and byelaw-based powers to levy member contributions. KBRA expects Lloyd's to maintain underwriting and expense discipline as market conditions become more competitive, preserve strong central and market-wide solvency buffers, and continue to strengthen risk oversight, reserving, exposure management, operational resilience and data capabilities. The Stable Outlook assumes that Lloyd's will remain able to support profitable market growth without materially weakening its capital position, risk appetite discipline, policyholder security or global franchise relevance.



Key Credit Considerations

Unique global specialty insurance marketplace with strong franchise relevance

Lloyd's occupies a distinctive position as a global marketplace for complex commercial and specialty insurance and reinsurance risks. Its brand, underwriting expertise, syndication model, central settlement infrastructure, global licence network and ability to attract specialist capital and underwriting talent support a very strong competitive position. Lloyd's broad distribution base, including registered brokers, coverholders and service companies, provides access to a deep pool of business opportunities and supports the market's growth ambitions. Lloyd's Insurance Company S.A. is core to Lloyd's post-Brexit operating model, preserving access to the EU market, generating fee and ceding commission income for the Society, and channelling European premiums and risks to Lloyd's syndicates through retrocession arrangements.

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Strong policyholder security supported by the Chain of Security and Central Fund framework

Lloyd's capital structure provides successive layers of protection to policyholders, including syndicate assets, Funds at Lloyd's and central assets, including the Central Fund. The Central Fund is a key credit strength and underpins Lloyd's financial strength ratings, licence network and market confidence. KBRA views the Central Fund framework, supported by Lloyd's statutory and byelaw-based powers to levy annual, callable and special contributions from members, as a unique form of credit enhancement. The callable layer, currently capped at 5% of members' premium limits, provides additional capacity to support central resources. While the behaviour of the callable layer and Central Fund Insurance remains untested in a severe stress environment, the overall framework materially strengthens Lloyd's policyholder-security profile.

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Very strong capitalisation and financial flexibility, with deliberate capital optimisation

Lloyd's reported strong market-wide and central solvency ratios at year-end 2025, both well above stated risk appetite levels. Capital growth has been supported by strong earnings, low financial leverage and continued access to internal and external sources of capital. Lloyd's has also demonstrated increasing access to institutional and alternative capital through London Bridge and London Bridge 2, which support Funds at Lloyd's, cat bonds and structured solutions while preserving Lloyd's oversight. KBRA recognises that Lloyd's is actively managing capital closer to internal targets, including planned repayment of subordinated debt and greater reliance on the callable layer over time. This is not viewed negatively at the current rating level, provided Lloyd's maintains sufficient capital buffers relative to its risk profile and growth ambitions.

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Strong reserving position and enhanced reserve oversight

Lloyd's reserve position remains strong, with continued market-level reserve surplus and a larger Central Reserve Margin providing additional protection against atypical reserve movements and late balance-sheet surprises. Lloyd's new reserve oversight model is credit positive, as it supports earlier identification of reserve deterioration through improved data timeliness, automation, risk metrics, dashboards, benchmarking and cross-functional challenge. The framework is particularly important as the market enters a softer pricing environment and as long-tail classes, including US Casualty, remain subject to social inflation, claims emergence and older-year uncertainty.

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Strong recent earnings, but profitability is entering a more challenging phase

Lloyd's 2025 results were strong, reflecting disciplined underwriting, below-average major losses, favourable prior-year development and a strong investment return. The market has now reported five consecutive years of combined ratios below 100%, and Lloyd's has articulated a through-the-cycle combined ratio ambition below 95%. However, pricing has softened across several lines, expenses have increased, and future profitability will depend heavily on underwriting discipline, expense management, reserve adequacy, investment yield and cycle management. KBRA expects earnings to remain strong relative to the rating level, but the margin for adverse experience is narrowing as the market transitions from prior peak pricing conditions.

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Conservative market investment portfolio and strong liquidity, offset by mark-to-market volatility

Lloyd's market assets are predominantly allocated to cash, government bonds and investment-grade fixed income securities, with short duration and a focus on liquidity, capital preservation and alignment with insurance liabilities. Liquidity metrics remain strong, and Lloyd's asset-liability management is sound. However, Lloyd's investment results are marked to market, making reported earnings sensitive to movements in interest rates, credit spreads, foreign exchange and broader financial markets. The Central Fund's allocation includes somewhat greater illiquidity and investment risk than the broader market portfolio, which warrants continued monitoring as Lloyd's updates its strategic asset allocation and as investment structures across the market become more sophisticated.

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Comprehensive ERM and market oversight framework, with increasing demands on execution

Lloyd's ERM framework is mature and embedded in decision-making. It combines Council and committee oversight, Principles Based Oversight, business plan approval, capital model review, performance monitoring, Realistic Disaster Scenarios, ORSA, stress testing, scenario analysis and targeted deep dives. The framework is designed for Lloyd's role as market operator rather than balance-sheet underwriter and is central to protecting the Central Fund, licences, credit ratings, brand and policyholder security. The key forward-looking challenge is ensuring that oversight remains sufficiently agile as the market grows, new entrants become more complex, institutional capital increases, pricing softens and systemic risks such as geopolitics, cyber, AI, climate and credit become more interconnected.

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Material exposure to catastrophe, geopolitical and systemic event risk

Lloyd's remains structurally exposed to catastrophe and other large event risks given its specialty, reinsurance, property, marine, aviation, energy, political violence, cyber and credit exposures. Major losses were favourable in 2025, but this does not reduce the structural volatility inherent in Lloyd's portfolio. Lloyd's exposure management, RDS framework, Lloyd's Catastrophe Model and planned expansion of modelled natural catastrophe perils are credit positive; nevertheless, a year with multiple severe events, adverse reserve development or correlated geopolitical, cyber, credit and market shocks could materially pressure earnings and capital.

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Execution risk from strategy, technology modernisation and operational resilience

Lloyd's new strategy, Advance and Protect, is credit positive given its focus on underwriting performance, marketplace efficiency, capital advantage and people. However, execution risk is meaningful. Lloyd's is moving away from the original Blueprint Two vision toward open architecture, common data standards, interoperability and incremental modernisation. This approach should reduce execution risk versus a "big bang" transformation, but Lloyd's remains dependent on legacy infrastructure, Velonetic/DXC delivery, operational resilience remediation, data quality improvements and effective governance of change. Failure to deliver technology and operational-resilience improvements could weaken Lloyd's competitive position, increase operating risk or impair market confidence.

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Complexity from new entrants, capital structures and investment sophistication

Lloyd's continues to attract new syndicates, reinsurance captives, structured solutions, credit-focused syndicates, institutional capital and alternative capital structures. These developments support growth, diversification and financial flexibility, but also increase oversight complexity. Risks include counterparty concentration, reinsurance leverage, capital flight, reduced recapitalisation appetite in stress, private asset liquidity and valuation risk, and the need for specialist oversight capabilities. KBRA views Lloyd's continued selectivity around new entrants and its evolving oversight frameworks favourably, but the pace and complexity of market change remain important rating considerations.

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Rating Sensitivities

- Sustained through-the-cycle underwriting performance with combined ratios consistently meeting or exceeding Lloyd's stated ambition of below 95% despite less favourable market conditions, while maintaining strong reserve adequacy, disciplined growth and conservative risk selection
- Sustained strengthening of market-wide and central solvency buffers, improved capital resilience following any future model changes, and evidence that the callable layer, Central Fund Insurance and broader capital-management tools remain credible and reliable under stress
- Continued successful execution of the Advance and Protect strategy
- Improved operational resilience, including a demonstrable reduction in technology and data risk, enhanced oversight of complex new entrants and capital structures and continued strong access to diversified capital without weakening market discipline

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- Sustained deterioration in underwriting performance, particularly material or persistent combined ratios worse than Lloyd's stated ambition of below 95% through-the-cycle, due to poor cycle management, inadequate pricing, expense pressure, under reserving, adverse casualty development or undisciplined growth
- Material weakening of reserve adequacy, including evidence of systemic under-reserving across the market or a significant erosion of reserve margins
- Material decline in capital adequacy, including a sustained reduction in central or market-wide solvency buffers below internal risk appetite or management buffer levels
- Failure of members to recapitalise following a major event, reduced availability or effectiveness of the callable layer, or unexpected limitations in the Central Fund framework, Central Fund Insurance or other central capital resources
- Severe catastrophe, geopolitical, cyber, credit or market event, or a series of correlated events, that materially impairs Lloyd's earnings, capital, liquidity, policyholder security or franchise position
- Material reduction in liquidity or increase in volatility of investment portfolio, especially within the Central Fund or Funds at Lloyd's, or if mark-to-market volatility materially weakens capital and earnings resilience
- Failure to execute Lloyd's strategy or technology-modernisation agenda, experiences a material operational-resilience failure, loses meaningful global licence access, suffers reputational damage, or demonstrates insufficient oversight of new entrants, delegated authority business, complex capital structures, reinsurance leverage or evolving systemic risks



Recent Developments

2025 Results - Lloyd's of London

Lloyd's 2025 gross written premium was up 4.2% over 2024, driven by exposure growth (+10.3%) from both new entrants (+3.1%) and expansion of existing syndicates (+7.2%), partly offset by price softening (-3.7%) and FX headwinds (-2.4%).

Lloyd's 2025 profit before tax was up 10.1% over 2024, driven by a £5.2bn underwriting profit and a £6.0bn investment return. The combined ratio of 87.6% and underlying combined ratio of 81.8% were slightly weaker year-on-year, reflective of a market continuing to transition from peak pricing conditions toward a more competitive phase, but still solidly profitable. Lloyd's 2025 profit before tax clearly reflects its continued disciplined underwriting supported by favourable investment markets.

Lloyd's 2025 catastrophe experience was favourable relative to expectations. Major losses totalled £2.4bn (5.8% loss ratio), below both reported prior year (£3.2bn) and long-term averages (£3.0bn five-year average; £3.7bn ten-year average).¹

The California wildfires were the largest event of 2025; benign major losses were a key contributor to earnings stability.

From a business mix perspective, growth was concentrated in areas of perceived rate adequacy, notably reinsurance and structured solutions, while casualty and specialty lines showed pressure (including reserve strengthening in casualty and aviation).

The expense ratio increased 1.2 percentage points to 35.6%, highlighting developing cost pressure.

At a market level, 2025 represented a continuation of strong cycle management—good overall returns from disciplined underwriting—while early signs of market softening and expense pressure suggest a more challenging profitability phase ahead, albeit more so in some segments than others.

Lloyd's of London Profit and Loss (PFFS)				
Market Cycle	Hard Peak	Softening	Softening	2025 Δ
	FY 2023	FY 2024	FY 2025	over 2024
£m, except %				
Gross Written Premium	52,149	55,546	57,870	4.2%
Net Earned Premium	36,925	40,424	41,994	3.9%
Net Incurred Claims	(18,302)	(21,222)	(21,847)	2.9%
Net Operating Expenses	(12,713)	(13,888)	(14,939)	7.6%
Underwriting Result	5,910	5,314	5,208	-2.0%
Investment return	5,310	4,914	6,010	22.3%
Foreign Exchange (Losses)/Gains	(134)	(124)	(121)	-2.4%
Other (expenses)/Income, Net	(423)	(478)	(503)	5.2%
Profit / (Loss) before Tax	10,663	9,626	10,594	10.1%
Combined Ratio	84.0%	86.9%	87.6%	0.7 pts
Underlying Combined Ratio ¹	80.5%	79.1%	81.8%	2.7 pts
Loss Ratio	49.6%	52.5%	52.0%	-0.5 pts
Major Loss Ratio	3.5%	7.8%	5.8%	-2.0 pts
Prior Year Development	-2.2%	-2.4%	-1.7%	-0.7 pts
Attritional Loss Ratio ²	48.3%	47.1%	47.9%	0.8 pts
Expense Ratio	34.4%	34.4%	35.6%	1.2 pts

¹ Underlying Combined Ratio = Combined Ratio minus Major Claims Ratio

² Attritional Loss Ratio = Loss Ratio minus Major Claims Ratio minus Prior Year Development

Source: 2025 Annual Report

1 Indexed for inflation to 2025. Claims in foreign currency translated at the exchange rates prevailing at the date of loss.



Lloyd's of London YOY Segment Results					
	Reinsurance	Property	Casualty	Marine, Aviation & Energy	Specialty
2025					
Gross Written Premium (£m)	20,053	13,026	14,682	6,826	3,250
Underwriting result (£m)	2,046	2,373	(87)	(178)	275
CY Combined Ratio (%)	85.6	75.4	100.8	103.5	86.6
AY Combined Ratio (%)	88.8	84.8	98.6	92.2	95.5
Prior Year Development (%)	(3.2)	(9.4)	2.2	11.3	(8.9)
2024					
Gross Written Premium (£m)	18,729	12,398	14,411	6,425	3,543
Underwriting result (£m)	1,680	1,659	880	40	397
CY Combined Ratio (%)	87.6	82.1	91.6	99.2	78.6
AY Combined Ratio (%)	89.5	89.4	96.0	88.9	64.1
Prior Year Development (%)	(1.8)	(7.3)	(4.4)	10.3	(5.5)

Source: 2025 Annual Report

2025 Results - Lloyd's Insurance Company S.A.

Lloyd's Insurance Company S.A.'s (Lloyd's Europe) gross written premium of €4.9bn was up 12%, and the gross combined ratio improved to 89.0% from 95.0%, in 2024. Lloyd's Europe remains fully reinsured to Lloyd's syndicates, resulting in no retained net underwriting exposure, with earnings primarily supported by reinsurance commission income and investment performance. Belgian GAAP profit declined to €42.5m in 2025 from €70.4m the prior year, while the balance sheet remained sound, with Solvency II eligible own funds of €739.6m and SCR coverage of 196% at year-end 2025. Results were primarily driven by stable current-year claims experience and favourable currency effects on prior-year reserves, partly offset by continuing aviation-related exposures tied to the Russia-Ukraine conflict.

Strategic Plan: *Advance and Protect*

Lloyd's new five-year strategy, "Advance and Protect," is a market-led plan to make Lloyd's the pre-eminent global marketplace for insurance risk by sharpening its financial edge and maximising its structural capital advantage. The strategy is built around four drivers: leading underwriting performance, with a target through-the-cycle combined ratio of 95% or less; an efficient and flexible marketplace, reducing friction and targeting only 1% incremental cost to operate at Lloyd's; maximised capital advantage, targeting a minimum through-the-cycle return on capital of 12%; and a Lloyd's to be proud of, focused on culture, service, talent, innovation and a Corporation cost-to-income ratio of 80% or less.

The strategy is explicitly disciplined and incremental rather than "big bang." Lloyd's will focus on its core P&C and specialty/commercial insurance opportunity, leveraging its licence network, syndication model, central settlement, brand, expertise and innovation capability. A key practical shift is away from centrally imposed market infrastructure transformation toward open architecture, common data standards, interoperability and incremental modernisation, including moving away from the original Blueprint Two vision.

From a credit perspective, KBRA views the strategy favourably insofar as it reinforces underwriting discipline, capital efficiency, balance sheet strength and risk-based oversight at a point in the cycle when pricing is softening and market complexity is increasing, but notes that execution risk is meaningful, particularly around technology modernisation,



oversight capacity, new entrant complexity and delivery discipline. To manage the latter, Lloyd's frames the plan around three horizons: 2026–2027 to unlock existing strengths, 2028–2029 to build new advantages, and 2030 onward to operate from a position of capital strength and strategic optionality.

Insurance Entity Financials

Lloyd's of London (PFFS)					
GBP in millions	2025	2024	2023	2022	2021
Gross Written Premiums (GWP)	57,870	55,546	52,149	46,705	39,216
Net Written Premiums (NWP)	43,829	42,541	39,351	34,570	28,439
Net Earned Premiums	41,994	40,424	36,925	32,458	26,657
Net Loss and LAE Incurred	21,847	21,222	18,302	18,655	15,440
Acquisition & Other Underwriting Expenses	14,939	13,888	12,713	11,162	9,476
Net Underwriting Gain (Loss)	5,208	5,314	5,910	2,641	1,741
Net Investment Income (Loss)	6,010	4,914	5,310	(3,128)	948
Result before Tax	10,594	9,626	10,663	(769)	2,277
Other Comprehensive Net Income (Loss)	(847)	100	(281)	340	39
Loss & LAE Ratio	52.0%	52.5%	49.6%	57.5%	57.9%
Expense Ratio	35.6%	34.4%	34.4%	34.4%	35.5%
Combined Ratio	87.6%	86.9%	84.0%	91.9%	93.5%
Underlying Combined Ratio ¹	81.8%	79.1%	80.5%	79.2%	82.3%
Attritional Loss Ratio	47.9%	47.1%	48.3%	48.4%	48.9%
GWP/Shareholders' Equity	1.2	1.2	1.2	1.2	1.1
NWP/Shareholders' Equity	0.9	0.9	0.9	0.9	0.8
Total Assets	181,271	176,517	165,095	161,530	138,155
Shareholders' Equity (Capital, Reserves & Subordinated Debt)	49,825	47,149	45,269	40,205	36,553
Market Wide Solvency Coverage Ratio	200%	205%	207%	181%	177%
Central Solvency Coverage Ratio	496%	435%	503%	412%	388%

¹ Underlying Combined Ratio is an Alternative Performance Measure. It is a key performance indicator used by Lloyd's to measure the profitability of underwriting activity excluding major claims.

Sources: Annual Reports, Solvency and Financial Condition Reports, KBRA analysis

Lloyd's of London is a global insurance and reinsurance marketplace—not a single insurance company—where syndicates backed by members' capital underwrite complex risks through a shared platform, licence network, oversight framework and mutual capital structure. In 2025, the market wrote £57.9bn of premium and was supported by £49.8bn of capital, reinforcing its role as a leading global platform for specialty and commercial risk.

The pro forma financial statements (PFFS) are prepared by Lloyd's by aggregating audited financial information reported in syndicate returns and annual accounts, members' funds at Lloyd's, and the audited financial statements of the Society of Lloyd's, with overlaying adjustments as deemed appropriate by the Council.

The Society of Lloyd's primary business segments are as follows:

Corporation of Lloyd's: the main purpose is to facilitate the carrying on of insurance business by members and the advancement and protection of their interests in this context. The activities of authorised insurance company subsidiary undertakings (primarily Lloyd's Insurance Company S.A. and Lloyd's Insurance Company (China) Limited) are included as part of this business segment.



Lloyd's Central Fund: comprising the New Central Fund and Old Central Fund, are assets of the Society held and administered by the Council, primarily as funds available for the protection of policyholders.

As Lloyd's Insurance Company S.A. is included in the Society's financial statements and the Society is included in the PFFS, KBRA performed its credit analysis on a group basis at the PFFS level. KBRA views Lloyd's Insurance Company S.A. (Lloyd's Europe) as core to Lloyd's post-Brexit operating model and to Lloyd's ability to remain a genuinely global marketplace for risk solutions. Lloyd's Europe preserves access to the EU market, supports Lloyd's global licence network and marketplace relevance, generates fee and ceding commission income for the Society, and channels European premiums and risks to Lloyd's syndicates through 100% retrocession arrangements. While Lloyd's Europe does not create retained underwriting risk or retained underwriting earnings for the Society, it is integral to Lloyd's franchise and contributes to the diversification of Society revenues and market business flows.

Stress Testing

Lloyd's routinely stress tests its Solvency UK position against its risk appetite thresholds, both at market and central levels, against a broad range of extreme but plausible scenarios. In addition to stress testing solvency, Lloyd's also analyses the impact of various stress scenarios on its ability to achieve its business plan. Beyond solvency and business-plan stress testing, Lloyd's regularly uses scenario analysis to frame risks that are harder to capture through point-in-time capital metrics, particularly where losses may emerge gradually or through correlated second-order effects. The common purpose underlying this scenario analysis is to test management readiness, oversight responsiveness, accumulation monitoring, reserving judgement and operational resilience under plausible but uncertain conditions, rather than simply to size a sudden unexpected capital hit.

While Lloyd's has a high-quality investment portfolio that is well positioned to withstand market volatility, it still analyses plausible market scenario impacts on Lloyd's cash and invested assets.

KBRA reviewed a broad sampling of outputs from various recent stress testing exercises conducted by Lloyd's. KBRA believes that Lloyd's can absorb severe but plausible shocks while maintaining strong solvency and meeting its business plan. KBRA considers Lloyd's comprehensive and forward-looking stress testing practices strong and effective in managing the challenges facing the market.

External Considerations

The Society's main corporate purposes are to facilitate the conduct of insurance business by members of Lloyd's, to advance and protect their interests in this context and to manage the Society's insurance undertakings. The Society's revenue consists of members' subscriptions, various market charges and Central Fund contributions. The Society's wholly owned subsidiaries, Lloyd's Insurance Company S.A. (Lloyd's Europe) and Lloyd's Insurance Company (China) Limited (Lloyd's China) are the principal insurance businesses of the Society. The principal activity of Lloyd's Europe and Lloyd's China is to provide reinsurance of non-life business and direct non-life insurance in the European and Chinese insurance markets, respectively. Lloyd's syndicates participate in Lloyd's Europe and Lloyd's China business by means of 100% retrocession agreements.

With respect to its role in administering the Central Fund, the Lloyd's Acts² provide a contractual backstop that obligates the Society to levy and apply the Central Fund whenever a member defaults, giving policyholders support that is neither optional nor subject to management discretion. Historically, member failures have been absorbed without policyholder loss, proving both the Fund's effectiveness and the Council's readiness to act. The Society also has broad statutory and bylaw-based powers to levy annual, callable and special contributions from members, with the callable layer currently capped at 5% of members' premium limits. By underpinning Lloyd's financial strength, lowering syndicates' reinsurance costs, and enabling market access in jurisdictions that require a mutual guarantee,

² "Lloyd's Acts" refers principally to the Lloyd's Act 1871, which incorporated the Society of Lloyd's, and the Lloyd's Act 1982, which established the Council of Lloyd's and conferred on it broad powers to manage and superintend the Society and regulate insurance business at Lloyd's, including through bylaws. The Central Fund framework is further implemented through Lloyd's Central Fund / New Central Fund bylaws and related membership undertakings, under which members are required, as a condition of underwriting at Lloyd's, to pay annual contributions and may be subject to callable and special contributions. The current callable layer is up to 5% of members' overall premium limits and may be drawn from members' premium trust funds without member consent.



KBRA believes the Central Fund's support is akin to an explicit guarantee. Accordingly, KBRA specifically recognises this unique credit enhancement feature and its critical role in sustaining Lloyd's financial strength and stakeholder confidence in the market in its credit analysis.

Sovereign/Transfer & Convertibility (T&C) Risk

Lloyd's of London Assets and Liabilities by Currency at Translated Carrying Amounts at 31/12/2025

GBP millions	GBP	USD	EUR	CAD	AUD	Other
Total assets	26,665	125,033	10,401	11,137	5,564	2,471
Total liabilities	(22,194)	(89,009)	(8,359)	(7,323)	(3,912)	(947)
Total capital and reserves	4,471	36,024	2,042	3,814	1,652	1,524

Source: 2025 Annual Report

Managing agents must identify the main currencies in which each syndicate transacts its business and hold assets in each of those currencies to match the relevant liabilities. Managing agents must ensure that assets match liabilities and take corrective action where a mismatch arises. The Corporation also reviews the matching of assets to liabilities at the syndicate level as well as at the market level. In addition, many members seek to match their capital disposition by currency against their peak exposures.

As of 31 December 2025, USD was the largest currency exposure for the market overall and total assets exceeded total liabilities across all major currencies.

As exposure is well-matched by currency and is predominantly to freely convertible currencies in stable jurisdictions, KBRA views Lloyd's exposure to transfer and convertibility risk as minimal and well-managed.

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