

Full Year Results

2024

Twelve months ended 31 December

Overview

John Neal, Chief Executive Officer

FY 2024 results show sustained profitable performance

Growth

+6.5%

Gross written premium

Underwriting result

86.9%

Combined ratio

Investment return

£4.9bn

Investment return

Balance sheet

205%

Market-wide solvency

435%

Central solvency

GWP increase

FY23: +11.6%

FY22: +19.1%

Combined ratio

FY23: 84.0%

FY22: 91.9%

Investment return

FY23: £5.3bn

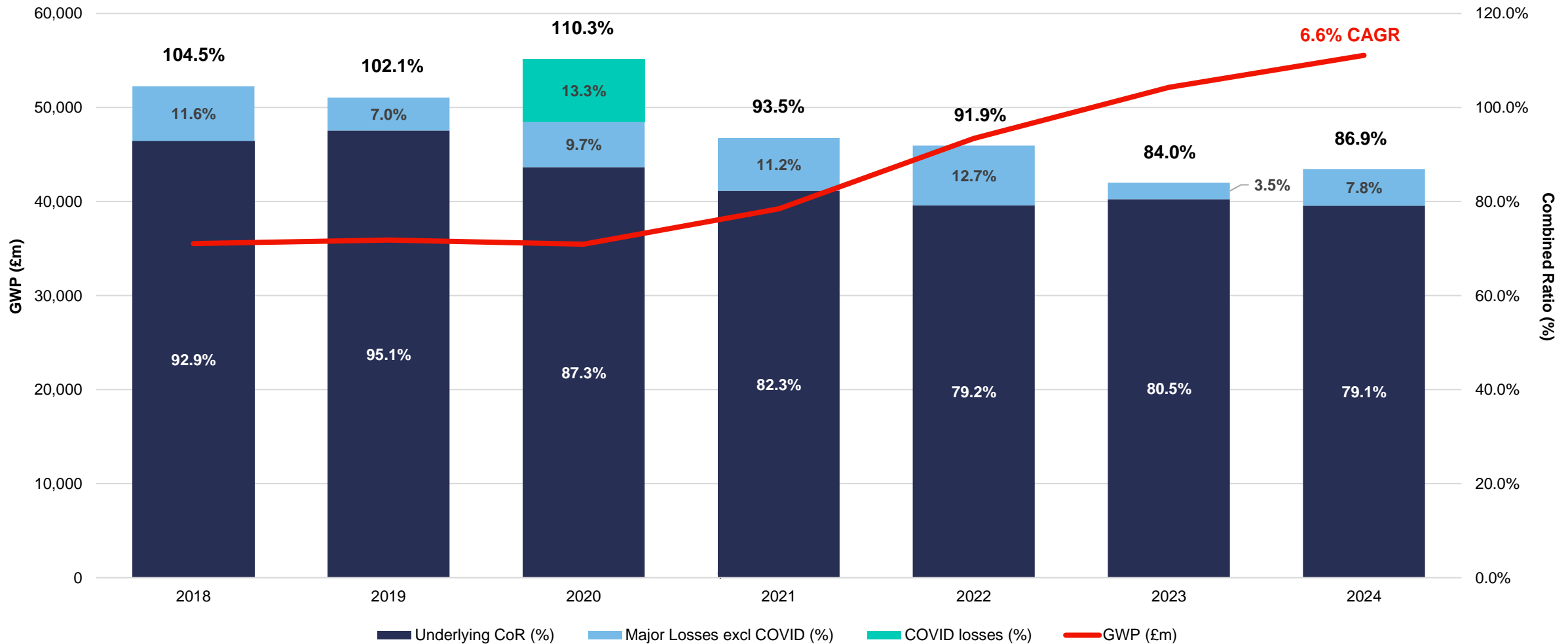
FY22: £(3.1)bn

Central solvency

FY23: 503%

FY22: 412%

Our journey to consistent, high-quality performance



Financials

Burkhard Keese, Chief Financial Officer

Alexandra Cliff, Deputy Chief Financial Officer

2024: Another year of profitable growth

FY 2024 Result

£55.5bn

Gross written premium

79.1%

Underlying combined ratio¹

£9.6bn

Profit before tax

FY 2024 vs FY 2023

+£3.4bn

(1.4)%pts

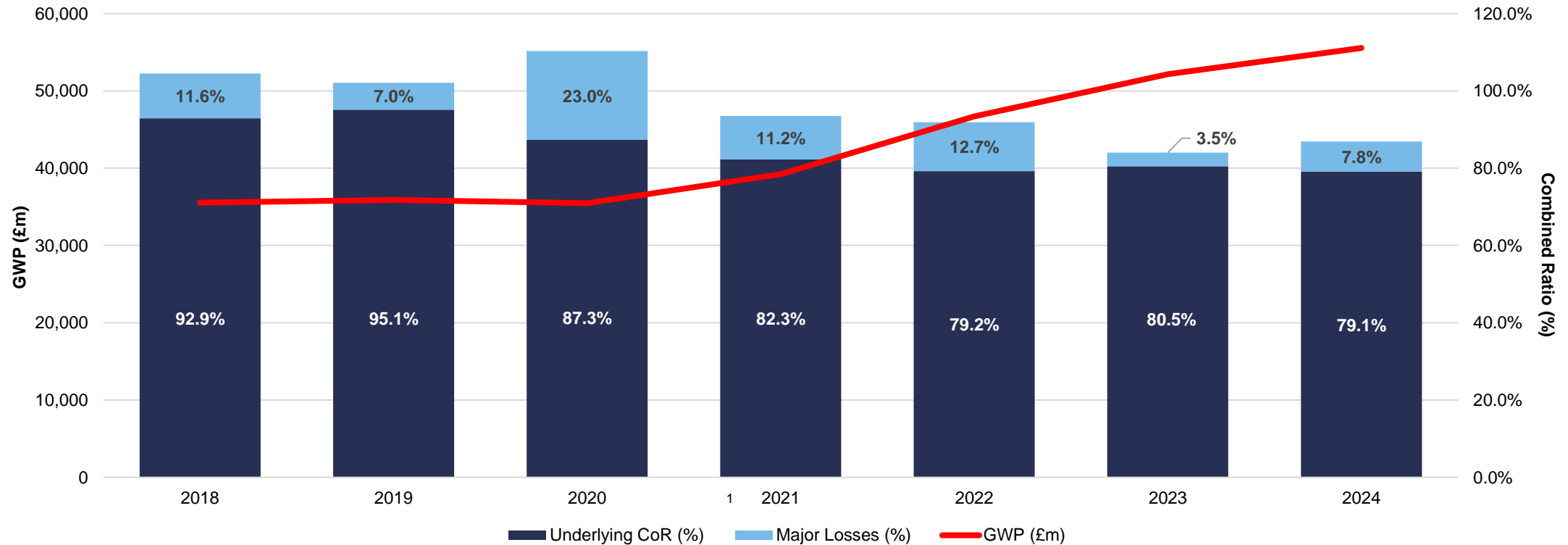
£(1.0)bn

¹ Underlying combined ratio: combined ratio excluding Major Claims

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

Discipline must be maintained

	2018	2019	2020	2021	2022	2023	2024	Average
Capital engaged (£bn)	27.1	28.6	31.5	34.5	37.7	42.1	45.8	35.3
Profit / (loss) before tax (£bn)	(1.0)	2.5	(0.9)	2.3	(0.8)	10.7	9.6	3.2
Return on capital (%)	(3.7)%	8.8%	(2.8)%	6.6%	(2.0)%	25.3%	21.0%	7.6%



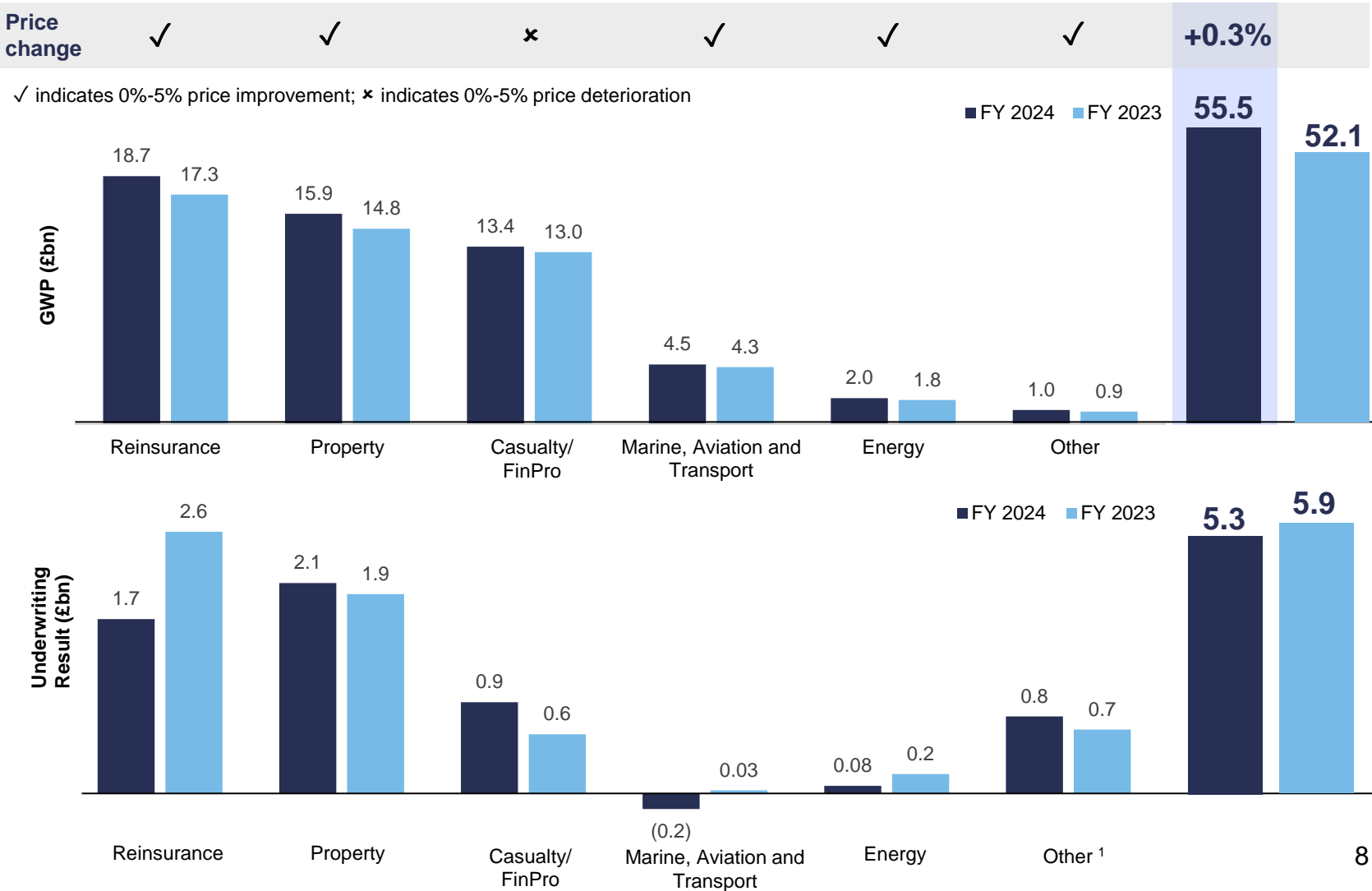
Balanced portfolio

6.5%
Premium growth

8.5%
Volume growth

0.3%
Price growth

(2.3)%
FX movement



¹ Other includes Motor, Life and Society adjustments
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86.9% Combined ratio

FY 2024 Result	FY 2024 vs FY 2023
86.9% Combined ratio	+2.9%pts
47.1% Attritional loss ratio	(1.2)%pts
34.4% Expense ratio	-
7.8% Major claims	+4.3%pts
(2.4)% Prior Year releases	(0.2)%pts

86.9% Combined ratio

Major claims

£3.2bn, 7.8%

FY 2024

£1.3bn, 3.5%

FY 2023

Major claims (£bn)	FY 2024
Dali Baltimore Bridge Collision	0.4
Taiwan Earthquake	0.1
Hurricane Beryl	0.2
Hurricane Helene	0.9
Hurricane Milton	1.2
Canada Hailstorm	0.1
Tropical Storm Debby	0.1
Crowdstrike Outage	0.1
Other ¹	0.1
TOTAL	3.2

Expense ratio

34.4%

FY 2024

34.4%

FY 2023

- Acquisition cost ratio: 22.6% (FY23: 22.6%)
- Admin expense ratio: 11.8% (FY23: 11.8%)

Prior Year releases

(2.4)%

FY 2024

(2.2)%

FY 2023

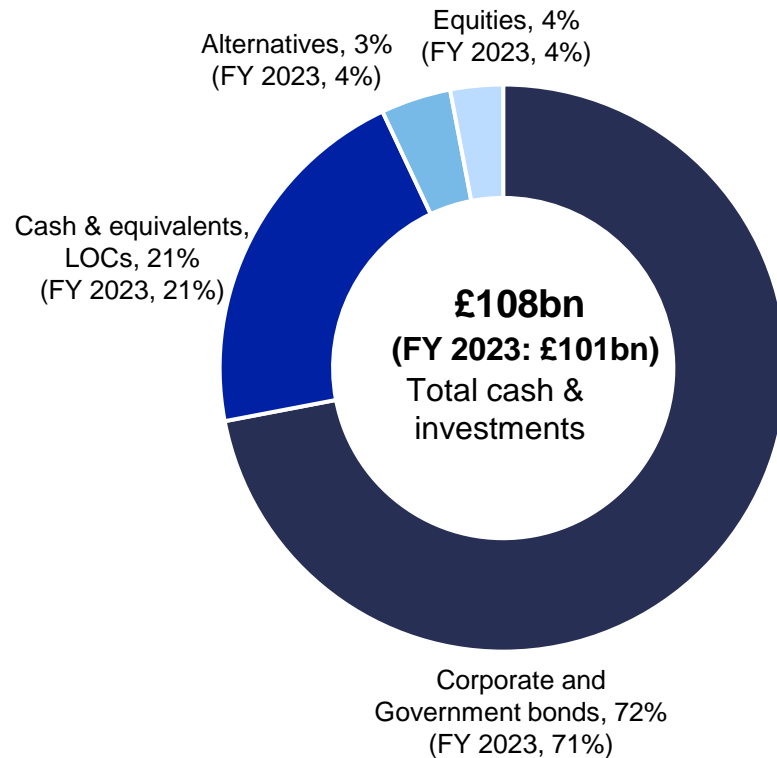
- Increase in Ukraine net ultimates of £0.6bn since FY 2023, bringing the total at FY 2024 to £2.4bn.
- Casualty releases from positive developments in Cyber, and FinPro classes. With Casualty Re strengthening due to adverse claims and stronger reserving in long-tailed classes.
- Property releases were driven by positive developments across various lines, including benign claims activity and favourable attritional loss trends, as well as COVID-19 reserves. Property Re saw significant reserve releases due to favourable developments on established catastrophe events and non-catastrophe losses.
- Gross COVID IBNR of £0.6bn.

¹ Other includes losses relating to Central European Floods, Jasper Wildfire in Canada and the Brazil Floods.

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£4.9bn Investment return

Conservative asset allocation



FY 2024 Results

£4.2bn
Investment income

£0.3bn¹
Growth asset price variance

£0.5bn¹
Fixed income price variance

£4.9bn
Investment return

FY 2023 Results

£3.9bn
Investment income

£0.5bn¹
Growth asset price variance

£0.9bn¹
Fixed income price variance

£5.3bn
Investment return

¹ Analytically derived
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Investment stress test scenarios

Impact on Lloyd's Market Portfolio based on asset valuation as at 31 December 2024

Scenario	Change in asset value	Comments
Interest rates rise by 100bps	£2.1bn loss	Despite an economic matching of asset and liability duration, interest rate shifts have a P&L impact since UK GAAP does not allow insurance liabilities to be discounted. The £2.1bn loss derives from the impact of a 100bps impact on the c.£78bn invested in fixed income assets with an average duration of 2.7 years
Equities decline by 26% from the expected value (1-in-10 year shock)	£2.0bn loss	The £2.0bn loss derives from the impact of a 1-in-10 year shock on £4.2bn of investments in equities and £3.5bn investments in alternative assets
USD weakens by 10% against GBP		
▪ Impact on Members' assets	£2.4bn loss	Impact balance sheet only; no P&L impact
▪ Impact on P&L	£0.4bn loss	This includes the FX conversion impact on net Premium Trust Fund position (impact on assets largely offset by liabilities due to currency matching) and Central Assets

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

Strong balance sheet

Active balance sheet management and capital efficiency

FY 2024 Result	FY 2024 vs FY 2023
<div>205%</div> <div>Market-wide solvency</div>	<div>(2.0)%pts</div>
<div>435%</div> <div>Central solvency</div>	<div>(68.0)%pts</div>
<div>£47.1bn</div> <div>Total capital</div>	<div>+£1.9bn</div>
<div>£5.4bn</div> <div>Reserve margin</div>	<div>+£0.8bn</div>

Financial Strength upgrade from A.M. Best

A.M. Best:	S&P Global:
<div>A+</div>	<div>AA-</div>
<div>(Superior)</div>	<div>(Very Strong)</div>
<div>Stable</div>	<div>Stable</div>
Fitch Ratings:	KBRA:
<div>AA-</div>	<div>AA-</div>
<div>(Very Strong)</div>	<div>(Very Strong)</div>
<div>Stable</div>	<div>Stable</div>

Our scorecard in summary

Profitable growth

6.5% ✓
Premium growth

8.5% ✓
Volume growth

0.3% ✓
Price growth

Sustainable performance

79.1% ✓¹
Underlying combined ratio

£4.9bn ✓
Investment return

£9.6bn ✓
Profit before tax

Disciplined capital management

Rated AA- or equivalent across all four rating agencies

Renewal of the Central Fund Insurance

435% ✓
Central solvency

£47.1bn ✓
Total capital

£5.4bn ✓
Reserve margin

Premium growth of 6.5% includes (2.3)% FX movements as shown on page 8

¹ Underlying combined ratio: combined ratio excluding Major Claims

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Looking ahead and closing remarks

Patrick Tiernan, Chief of Markets

John Neal, Chief Executive Officer

Outlook

FY 2024 Results

£55.5bn

Gross written premium

86.9%

Combined ratio

£4.9bn

Investment return

2025 Outlook ¹

£60bn +/- 5%

Gross written premium

90-95%

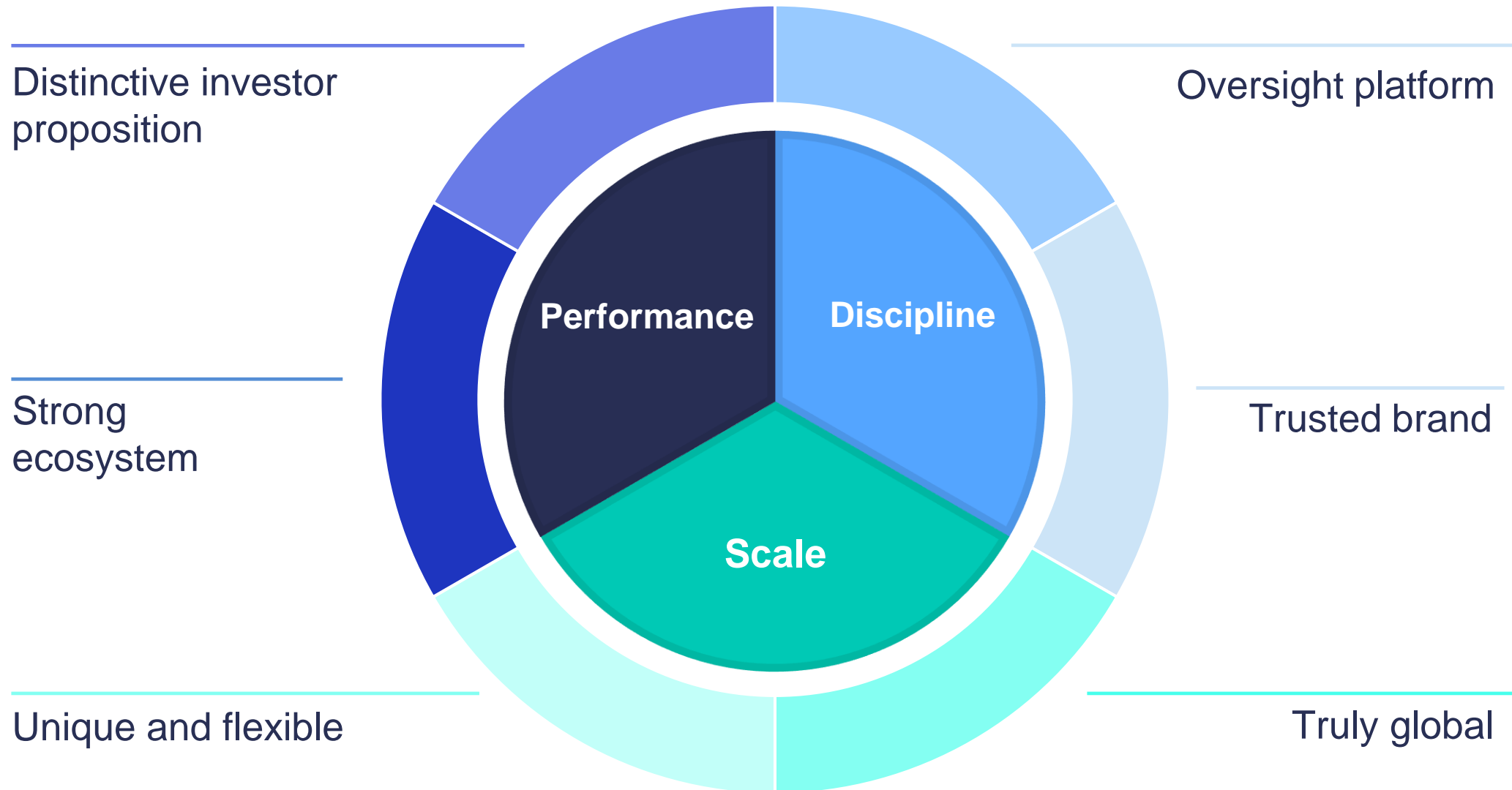
Combined ratio

~4%

Investment return

¹ Subject to financial markets, F/X, unpredictable economic developments, and major losses within normal expected range. The foregoing should not be relied upon as a promise or representation as to past or future performance. Furthermore, past performance is not necessarily indicative of future performance.

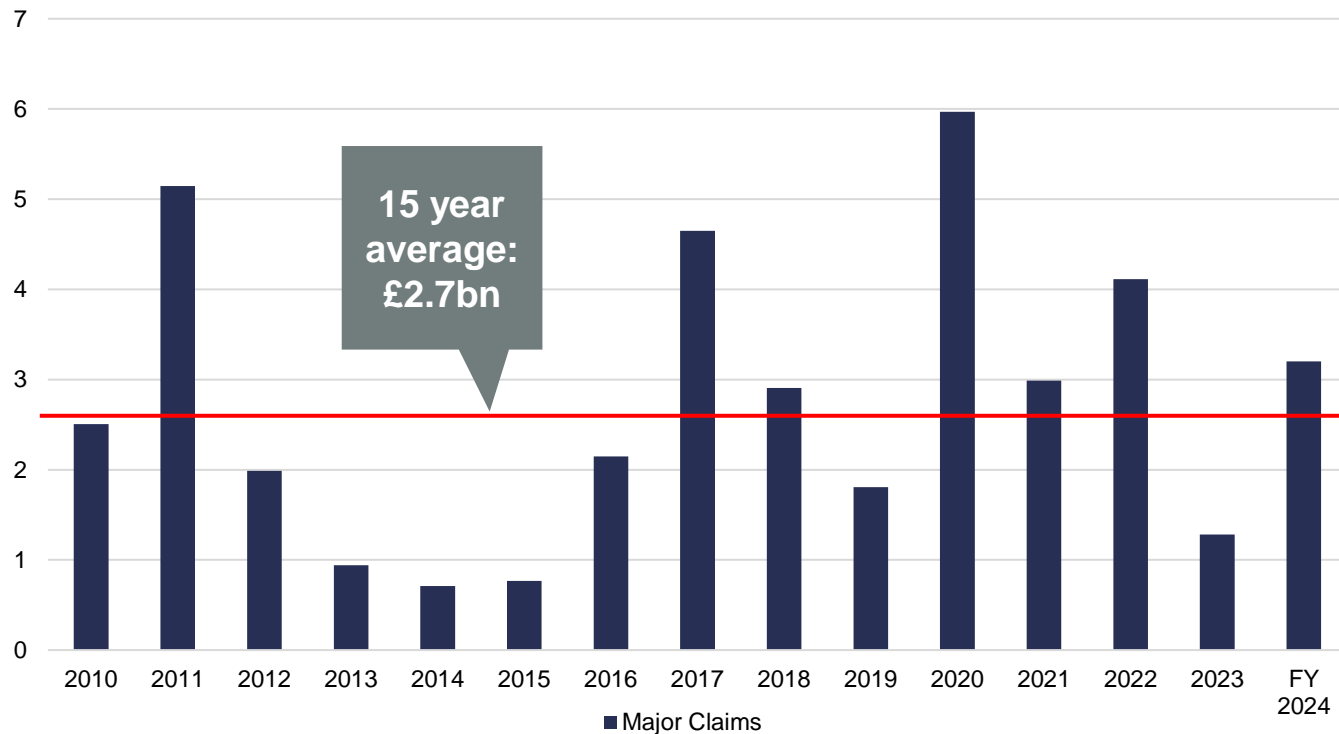
Success demonstrated by Performance, Discipline and Scale



Appendix

Major Claims for FY 2024

Lloyd's Major Claims (£bn)



Major claims, net earned ultimate (£bn)	HY 2024	FY 2023	FY 2024
Dali Baltimore Bridge Collision	0.5	-	0.4
Taiwan Earthquake	0.1	-	0.1
Hurricane Beryl	0.0	-	0.2
Hurricane Helene	-	-	0.9
Hurricane Milton	-	-	1.2
Canada Hailstorm	-	-	0.1
Tropical Storm Debby	-	-	0.1
Crowdstrike Outage	-	-	0.1
Cyclone Gabrielle	-	0.2	-
Middle East Earthquake	-	0.3	-
New Zealand Floods	-	0.1	-
Sudan Conflict	-	0.1	-
Hawaii Wildfires	-	0.4	-
Hurricane Idalia	-	0.2	-
Other ¹	-	-	0.1
Total	0.6	1.3	3.2

¹ Other includes losses relating to Central European Floods, Jasper Wildfire in Canada and the Brazil Floods.

Prior year movements in Major Claims are reported within the attritional loss ratio.

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6.5% premium growth with 86.9% combined ratio

£m	FY 2024	FY 2023
Gross written premium (GWP)	55,546	52,149
Net earned premium (NEP)	40,424	36,925
Net incurred claims	(21,222)	(18,302)
Operating expenses	(13,888)	(12,713)
Underwriting result	5,314	5,910
Total investment return	4,914	5,310
Foreign exchange loss	(124)	(134)
Other expenses, net	(478)	(423)
Profit before tax	9,626	10,663
Loss ratio	52.5%	49.6%
<i>Attritional losses</i>	47.1%	48.3%
<i>Prior year (release)/strengthening</i>	(2.4)%	(2.2)%
<i>Major claims</i>	7.8%	3.5%
Expense ratio	34.4%	34.4%
Admin expense ratio	11.8%	11.8%
Acquisition cost ratio	22.6%	22.6%
Combined ratio	86.9%	84.0%

Balance Sheet

£m	FY 2024	FY 2023 (Restated)
Cash and investments	107,890	100,682
Reinsurers' share of unearned premiums	5,570	5,036
Reinsurers' share of claims outstanding	27,628	26,768
Other assets	35,429	32,609
Total assets	176,517	165,095
Gross unearned premiums	(27,651)	(25,065)
Gross claims outstanding	(85,395)	(78,774)
Other liabilities	(16,322)	(15,987)
Net resources	47,149	45,269
Member assets	44,033	42,161
Central assets	3,116	3,108

Culture

Our progress and activity to date. We continue to build a more diverse and inclusive market

Continued good progress in creating a more diverse market

- **Women in leadership increased to 36%**, with improvements across **all leadership levels**. **53% of market firms achieved or exceeded** the target in the last year, and women now make up 44% of the workforce.
- The market made progress on the **1 in 3 hiring ambition**, with 22% of new hires coming from an ethnically diverse background (+1pp), and ethnic diversity increasing to 14% of the market workforce and to **12% in leadership roles** (+3pp).
- Our sixth **Market Policies and Practices (MP&P)** return also demonstrates increasing adoption of practices that underpin an inclusive and high-performance culture in firms.

Learning and development

- **Culture Upskilling Programme** reached **500+ participants** in 2024
- **Nine delegates** for Lloyd's **Accelerate Programme US**

Recognition

- Awarded **Top 100 Great British Employer of Veterans** and retained **Gold standard accreditation** for the **Armed Forces Covenant**.
- Retained **Gold standard accreditation for Clear Assured**.
- Lloyd's awarded **Trailblazer status by Race Equality Matters**.
- Lloyd's retained **Top 75 Employer Status on the Social Mobility Index**.

Inclusive Futures

- **2509** Ethnically diverse hires in 2024.
- **24** Inclusive Futures Bursary Scholars.
- **1555** students engaged via the Inclusive Futures Schools Engagement Programme.



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