

Develop our Corporate and Institutional business

Lloyds Banking Group

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Welcome and introduction



Today's presenters



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Summary

CIB is core to Group growth strategy

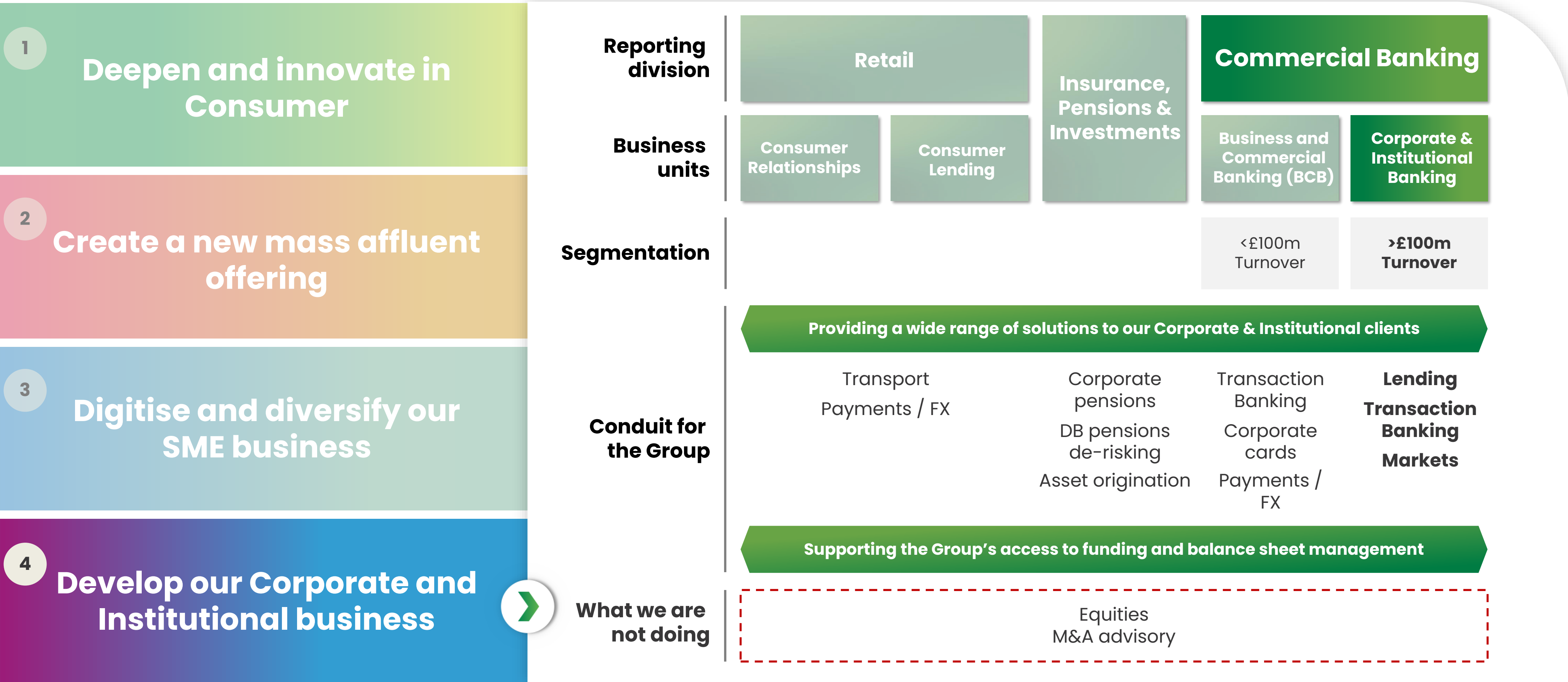


Purpose

**Helping
Britain
Prosper**

- **CIB is core to Group growth strategy; on track** to achieve targeted strategic outcomes
- **Delivering on our purpose** of Helping Britain Prosper
- **Building momentum** across all CIB businesses
- **Investing for growth** across cash-debt-risk management offering, with increased focus on Transaction Banking and Markets
- **Increasing CIB contribution** to Group revenue and OOI growth

Develop our Corporate and Institutional business



Clear CIB growth opportunity for the Group



Strong existing franchise

Base of **strong corporate and institutional client relationships**

Leading provider in key areas e.g. GBP DCM, UK Infrastructure and Project Finance, Sustainable Financing

Clear growth opportunity

Deepening and **expanding** relationships with existing clients

Connecting clients to **broader Group proposition**

Delivering sustainable growth across CIB businesses

Unlocking Group value

Growing Group-wide **diversified** revenue streams

Driving Group-wide **revenue synergies**

Improving **capital efficiency**

Delivering **strong return on investment**



CIB value proposition

CIB in context



Data as at 9M 2023

**Significant
scale and
reach**

£85bn

Customer deposits

£57bn

Customer loans

c.3,000

Clients¹

**Meaningful
Group
contribution**

c.50%

Commercial Banking
income contribution

c.15%

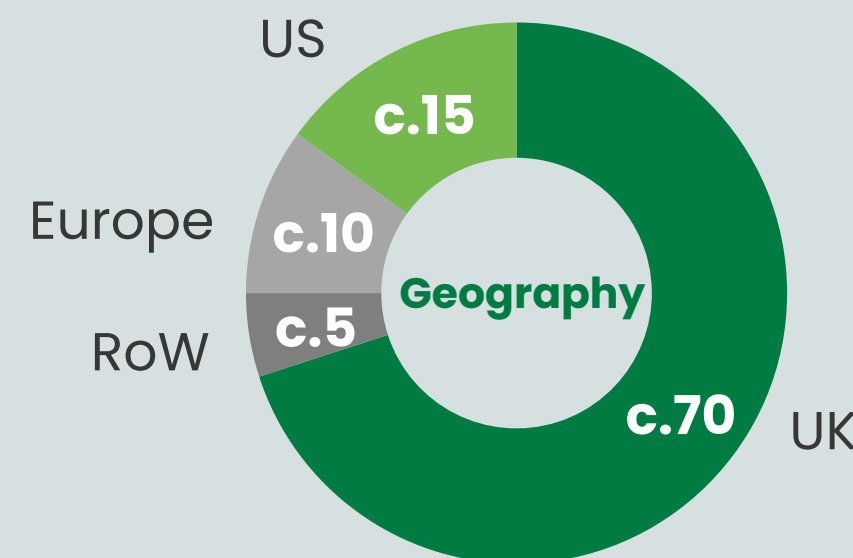
Group income contribution

c.25%

Group OOI contribution

**Diversified
footprint, with
UK nexus**

Income by geography², %

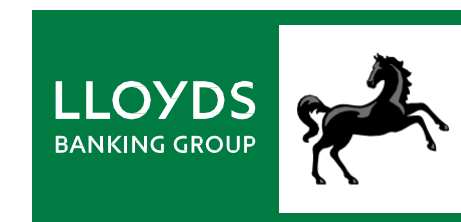


Exceptional UK presence

Local expertise in Europe and US

1 – Excludes Channel Islands. 2 – Income by client domicile. Rolling 12 months to 9M 2023.

Complementary and diversified CIB value proposition



**Well
matched
client
base**

Income by client type¹, 9M 2023, %

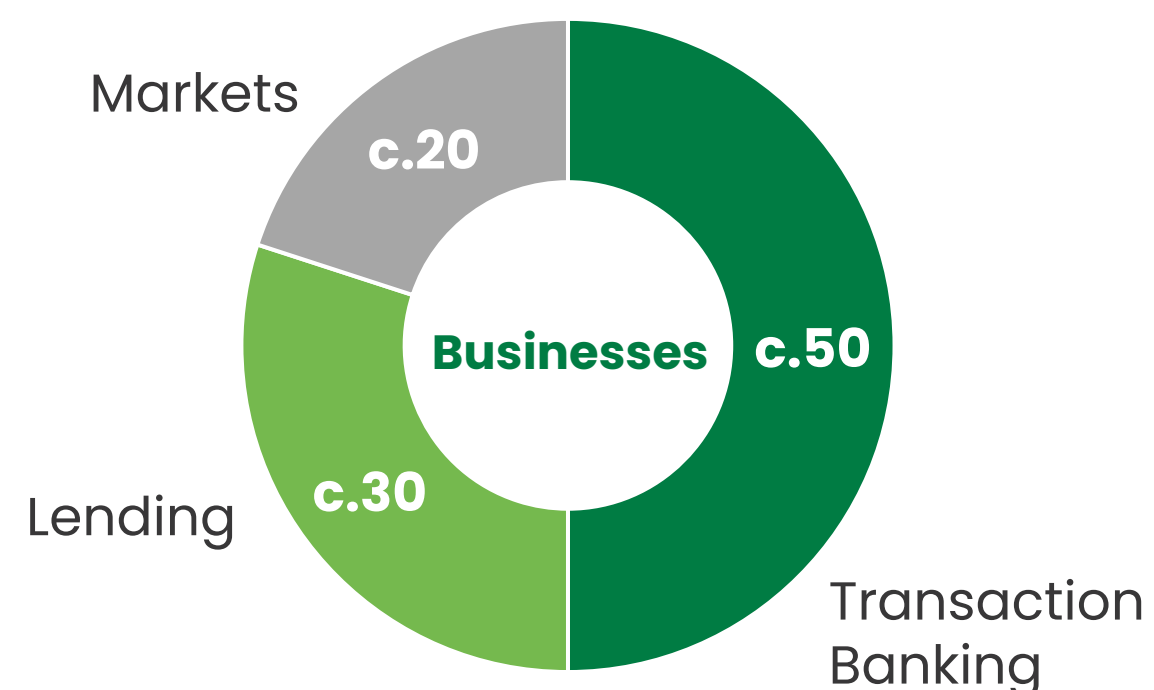


Long-standing client relationships

Well positioned to meet **complementary client needs**

**Differentiated
business
model**

Income by business, 9M 2023, %



Purpose-aligned lending, acting as the entry point for corporates

Serving core **payment** and **cash management** needs

Holistic **Markets** business

Integrated business model a key differentiator

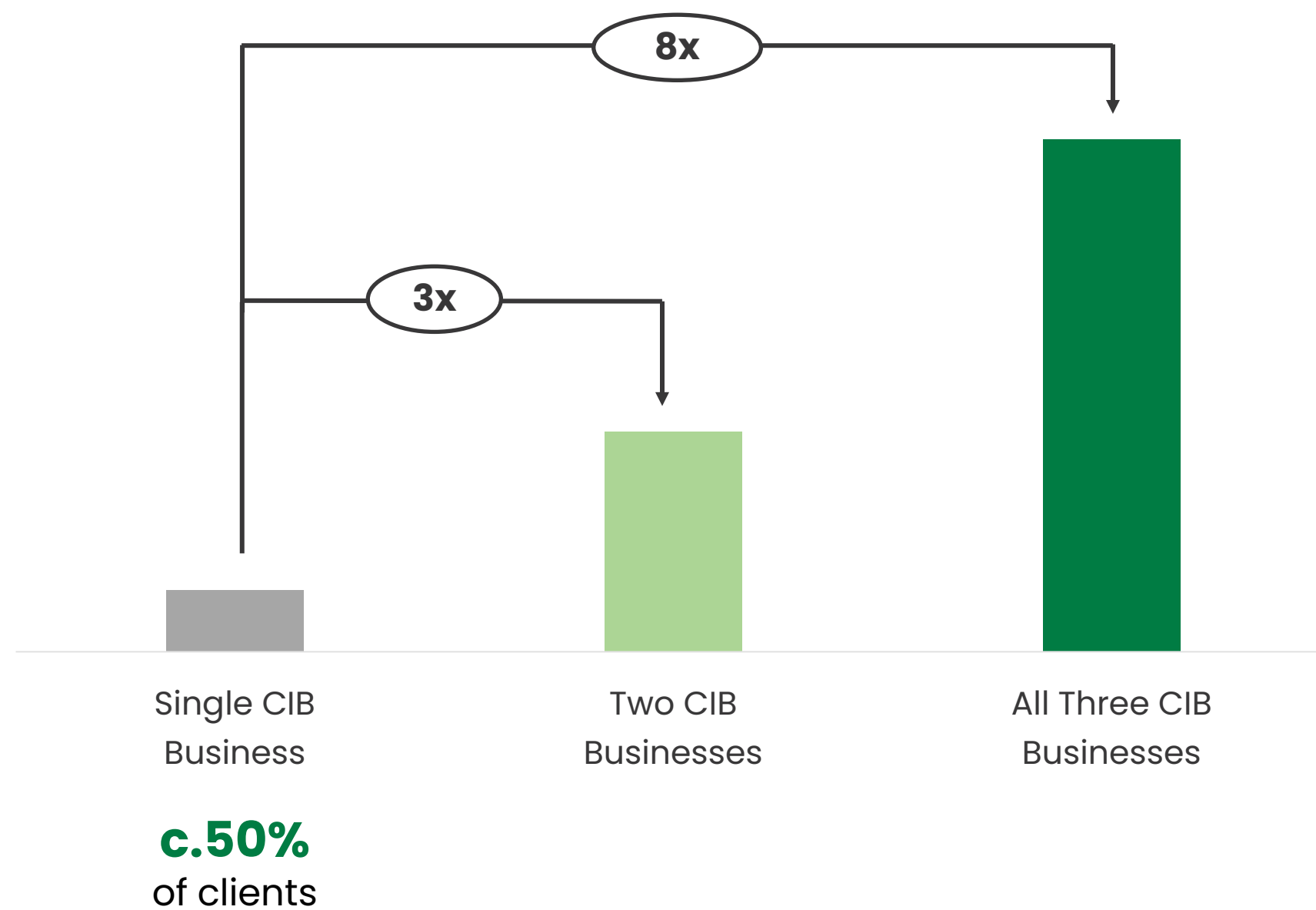
¹ – Excludes Channel Islands.

Clear opportunity to create additional value



Significant growth opportunity

Revenue per client¹



Leveraging **well matched client base** and **differentiated model** to drive growth

Unlocking value through **renewed focus, improved collaboration** and **enhanced offering**

Focused on meeting greater proportion of client needs through growth in **Transaction Banking** and **Markets**

Maintaining commitment to **capital efficiency**

¹ – CIB businesses defined as Lending, Transaction Banking, Markets.

Delivering sustainable growth



Growing and diversifying revenues

Strong revenue momentum

>50%

CIB net income growth since 2021¹

Building other income

>20%

CIB OOI growth since 2021¹

Broad-based **revenue momentum**

Enabling Group **other income generation**

Building profitable growth

Efficient operating model

c.55%

CIB cost:income ratio²

Prudent approach to risk

80%

of customer lending is Investment Grade

Enhancing efficiency and **realising synergies**

Prudent risk appetite, with proven track record

Strong returns

>10%

CIB Return on Tangible Equity³

Disciplined balance sheet usage

Strengthening, sustainable returns

1 – 9M 2023 annualised vs. FY 2021. 2 – 9M 2023 annualised, adjusted for bank levy. 3 – 9M 2023 annualised, adjusted for bank levy, assumes through-the-cycle impairments.

On track to achieve 2024 outcomes



Strategic priorities:

c.£0.2bn strategic investment to 2024¹

Strengthen cash-debt-risk management offering

Product enhancements in core capabilities of **cash-debt-risk** management

Increase **balance sheet velocity**

Disciplined sector focus

Focus on clients aligned to our **purpose** and **capabilities**

Specialist **sector-specific support** including ESG financing and advisory

Targeted 2024 outcomes

£15bn

Sustainable financing²

Top 5

GBP interest rate swaps ranking;
Deepen FX share of wallet

>20%

Growth in OOI (vs. 2021)

<£3bn

Net RWA growth

Progress to date

c.£11bn

As at H1 2023

5th

GBP interest rate swaps
ranking as at 9M 2023

>20%

Growth since FY 2021³

<£3bn

9M 2023 vs. FY 2021

¹ – Does not include CIB contribution to ‘Enabler’ initiatives. ² – Includes Clean Growth Finance Initiative, Commercial Real Estate Green Lending, Renewable Energy Financing, Sustainability Linked Loans and Green, ESG and Social Bond facilitation. Measure reflects cumulative new financing. ³ – 9M 2023 annualised vs. FY 2021.

Strategic initiatives contribute to CIB growth potential



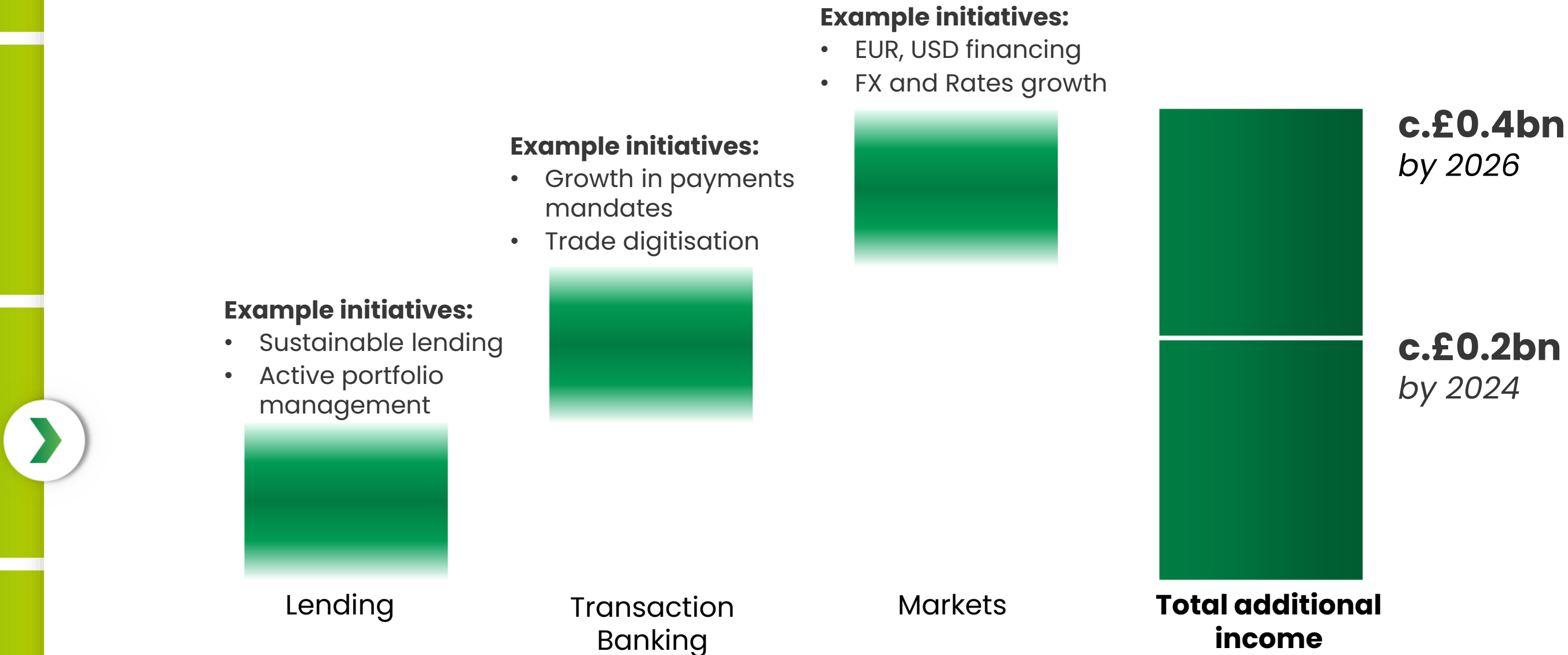
Strong business momentum with further upside

<10% of 2022–24 Group strategic investment spend

c.25% of Group additional revenues from strategic initiatives by 2026

Delivering disciplined, capital efficient growth

Additional revenues from CIB strategic initiatives, 2026¹



1 – Chart not to scale.

Strategic priorities address clear growth opportunities



Levers to unlock franchise value

1

Deepening client relationships

Meeting **additional client needs** and becoming a **broader solution provider**

2

Expanding Institutional coverage

Expanding Institutional footprint, providing other income opportunities while supporting capital efficiency

3

Driving Group collaboration opportunities

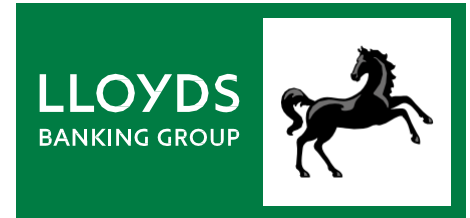
Connecting CIB clients to **wider Group solutions** e.g. insurance, transport



Business initiatives

Investing in **Lending, Transaction Banking** and **Markets** as part of cash-debt-risk management offering

Deepening client relationships



Clear growth opportunity...

50%

CIB clients with single CIB business relationship

...with significant upside

3x

Income generated by clients with two CIB business relationships

8x

Income generated by clients with three CIB business relationships



Maximising the potential of existing relationships

Providing **OOI-accretive ancillary solutions**

Extending competitive advantage in **Transaction Banking**

Broadening Markets capabilities to increase relevance and capture value

Supporting clients in their **net zero transition**

Opportunity

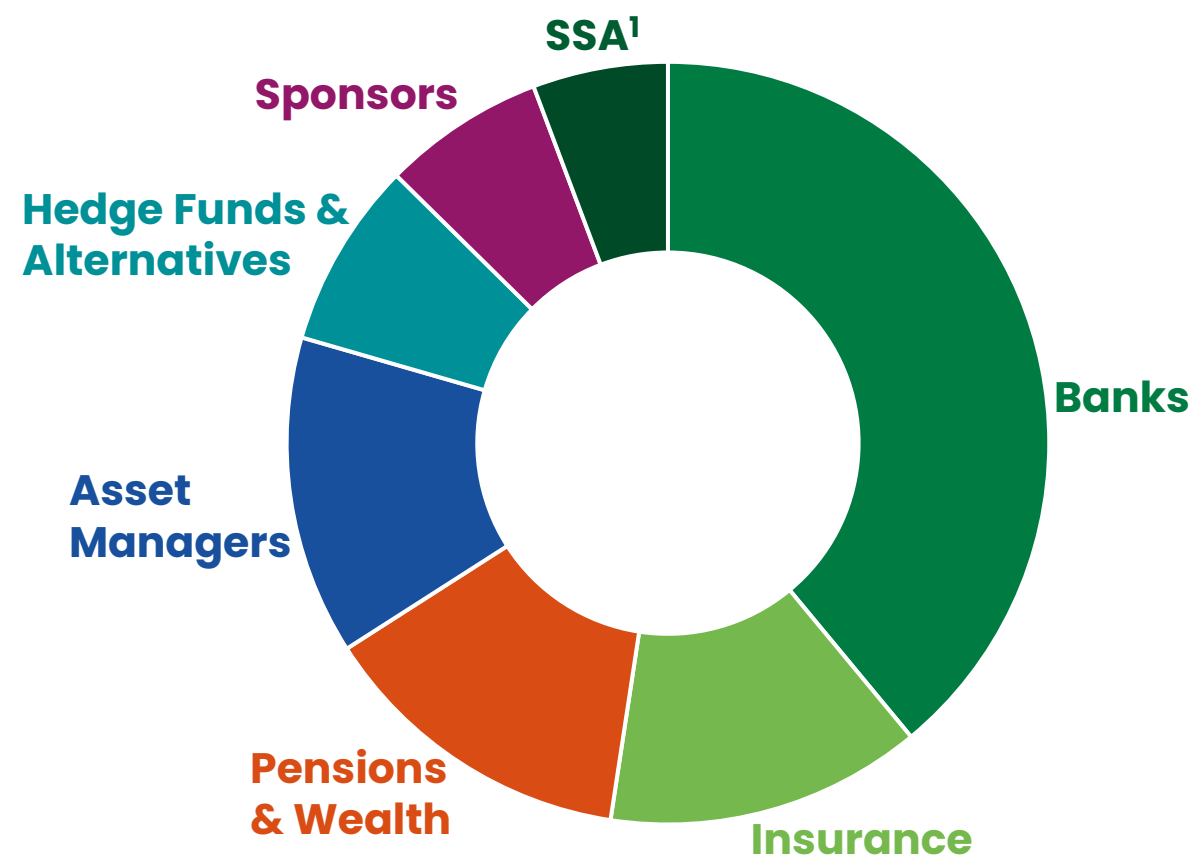
Increasing OOI contribution and diversifying earnings through meeting more client needs

Expanding Institutional coverage



Diverse and attractive business

Institutional split by client number



c.50% of CIB income

c.30% of clients

Building capital efficient, diversified revenues

Expanding footprint

Increasing wallet share through enhancing proposition

Gaining new clients in sectors where CIB has strong franchise

Complementary client set

Enabling **RWA relief** via risk distribution, increasing balance sheet velocity

Enhanced returns profile

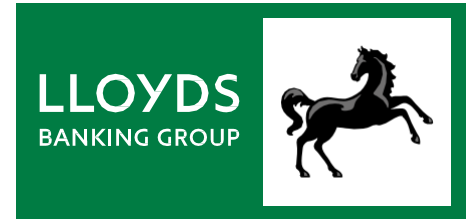
Delivering **capital efficient, OOI-accretive** growth

Client offering supported by **strong risk framework**

Opportunity

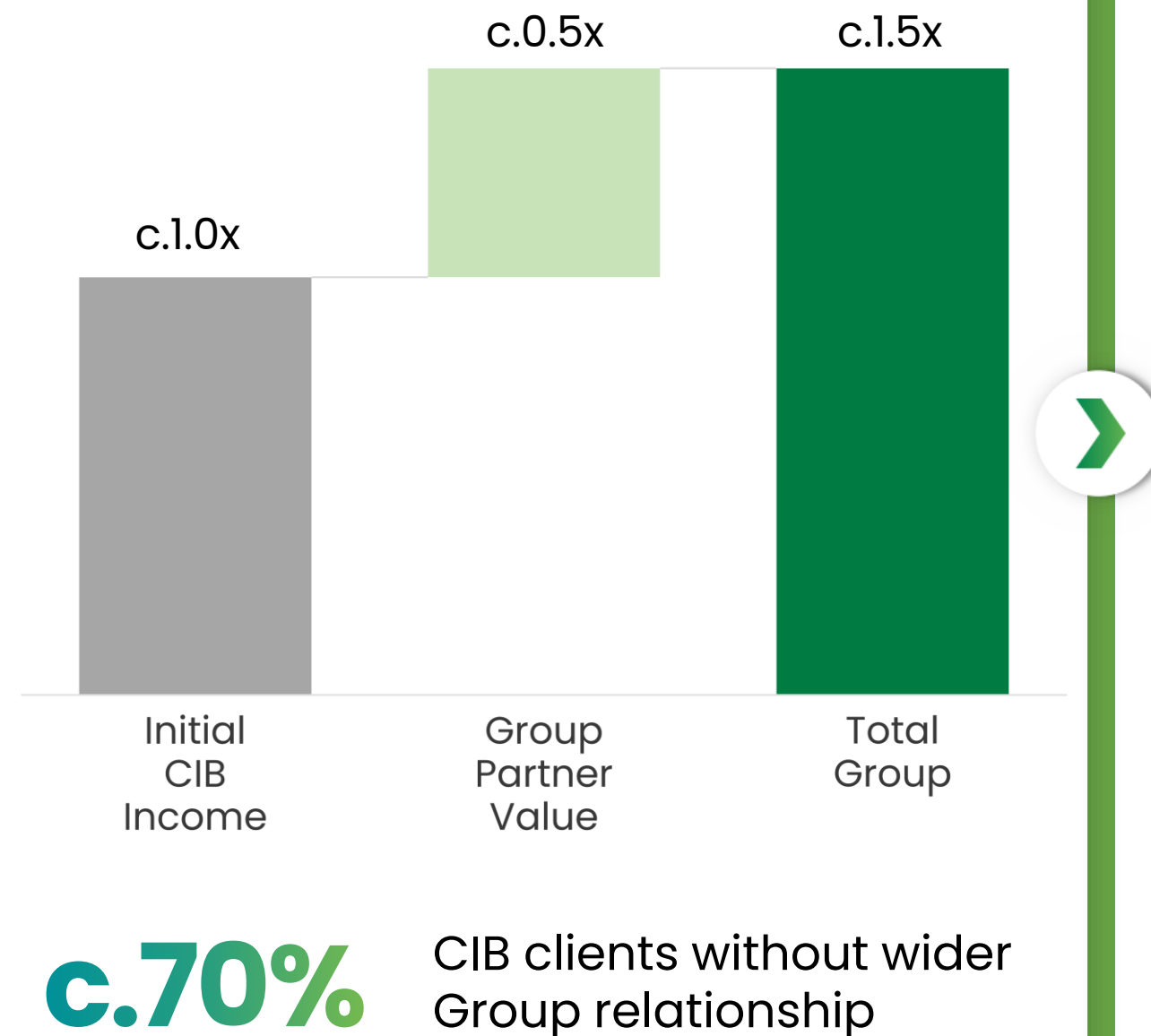
Strengthening client franchise whilst building capital efficient and OOI accretive relationships

Driving Group collaboration opportunities



Generating Group value

Group Partner Value per client generated via CIB relationships¹



Unlocking opportunities across the Group

Insurance, Pensions & Investments

Delivering growth in **workplace pensions**

#2 Market position by AuA



Transport

Meeting more client leasing needs, including through **Tusker's** salary-sacrifice offering

#1 Provider of vehicle leasing and financing



Housing

Supporting Group's UK housing ambitions, including improving energy efficiency



Intra-Group opportunities

Delivering **balance sheet efficiency**; supporting **capital issuance** and **broader transition and ESG expertise**

Opportunity

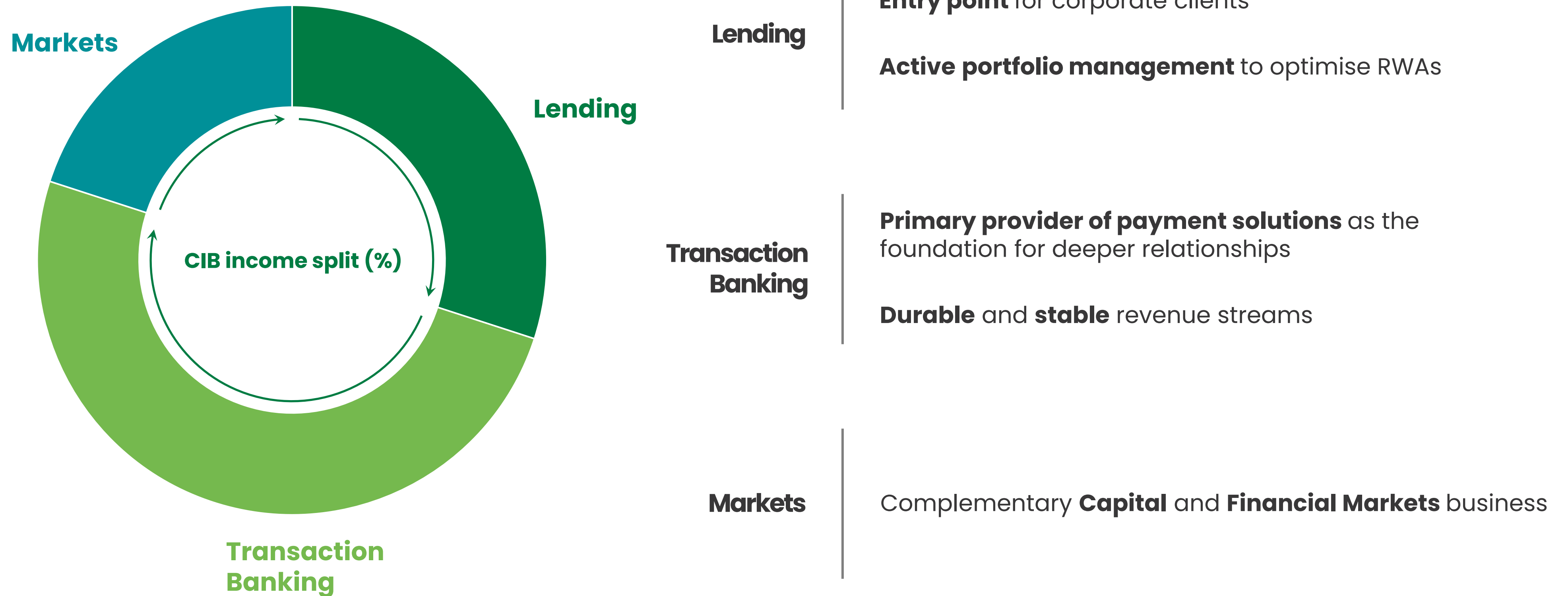
Building broader, more valuable relationships whilst generating additional income for the Group

¹ – Multiplier shows Group Partner Value as a proportion of CIB income for those CIB relationships with a wider Group relationship.

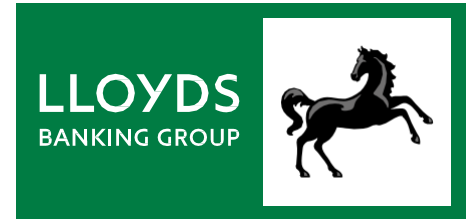


Business initiatives

Integrated and comprehensive client approach

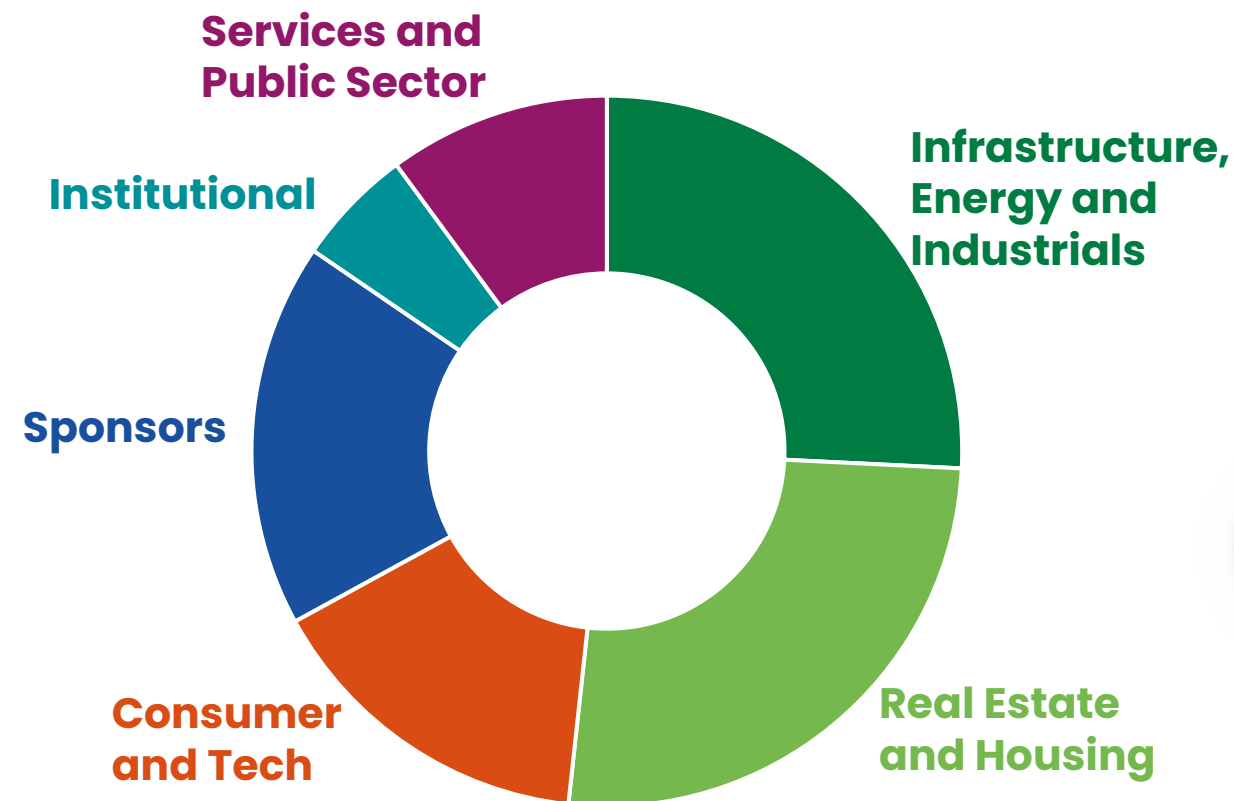


Disciplined Lending business



Entry point to CIB

Lending RWA split by sector¹, %



High quality lending book

80%

of customer lending is Investment Grade

Structuring and distribution operating model provides seamless experience

Specialist expertise

Extensive capabilities across vanilla and complex lending

Distributing risk from balance sheet, **enabling RWA relief**

Robust credit discipline

Prudent, through-the-cycle risk appetite with clear framework limiting sector and single name concentrations

Purpose driven relationships

Dedicated sector coverage; well positioned for growth

#1

Infrastructure and Project Finance²

Top 3

Social housing³

Opportunity

Profitable, purpose-led financing facilitating ancillary income

Extending competitive advantage in Transaction Banking



A leading proposition

1 in 3

Account-to-account UK payments processed¹

3 in 5

Cash mandate RFP tender win rate (1 in 10 in 2017)

2023 Awards



Best UK Bank for Cash Management



Best UK Trade Finance Bank



Trade Finance Deal of the Year



Strong platform for growth

Broad capabilities

Liquidity, Payments, Trade and Working Capital

Capital efficient proposition

Durable and stable revenue streams

Delivering **capital efficient, OOI-focused** growth

Broad range of growth opportunities

Primary provider for clients, leveraging leading Cash Management and Payments platform

Digitising trade, driving efficiencies and widening network

Utilising **data analytics** to provide **unique client insights**

Defending and growing deposit base

Opportunity

Building on strengths to deliver durable and stable revenue streams

Well positioned Markets franchise



Complementary businesses

Capital Markets

DCM

Credit
Trading

Securitisation

Corporate Risk
Management
Solutions

Providing an expanded, debt-focused franchise

Financial Markets

Rates

Repo

FX

Commodities

Increasing flows through product and technology improvements

20%of CIB Income¹**45%**of CIB OOI¹

Specialist knowledge and expertise

**Strong
counterparty
to clients**

Presence in **deep capital markets** of UK, Europe, US

Leading provider e.g. GBP IRS, GBP DCM, Repo

Sophisticated risk and compliance framework

**Integrated
business**

Holistic approach, delivering core financing and risk management activities

**Differentiated
income
stream**

Attractive returns profile

Diversified income streams for CIB and Group

Strong progress in Markets with further upside potential

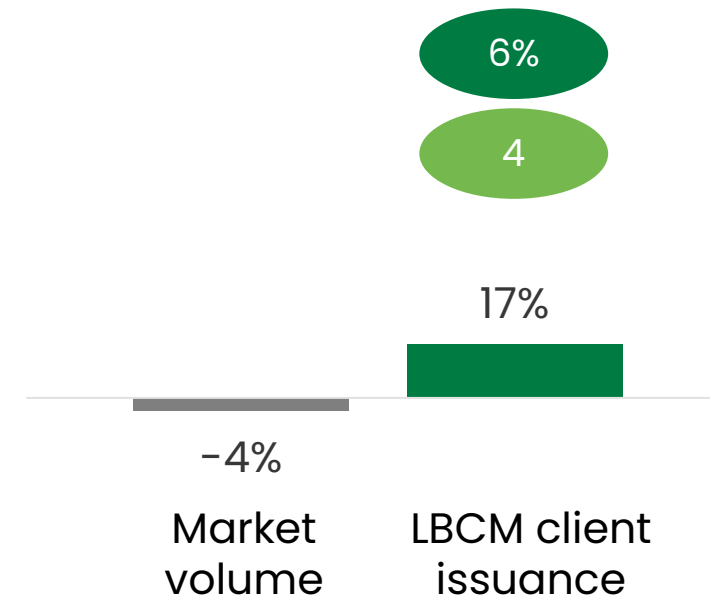
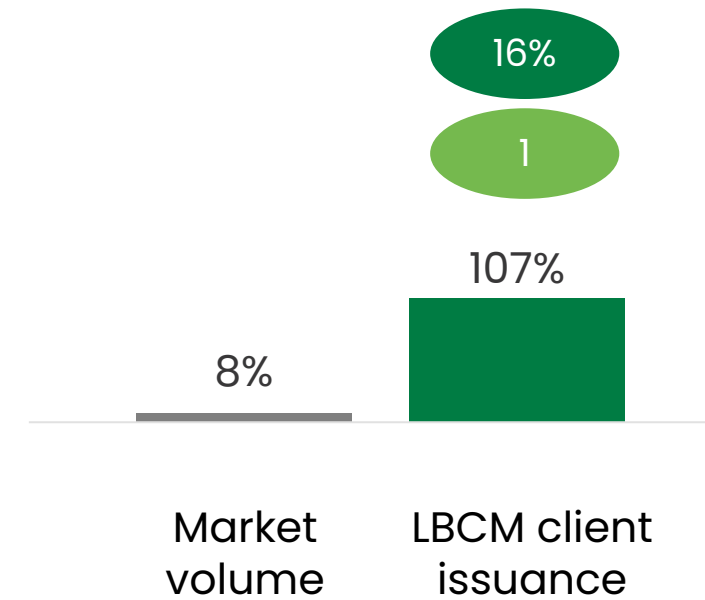


Progress to date¹

Share

Rank

Capital Markets

All Bonds – UK Issuers²Structured Finance – UK issuers³

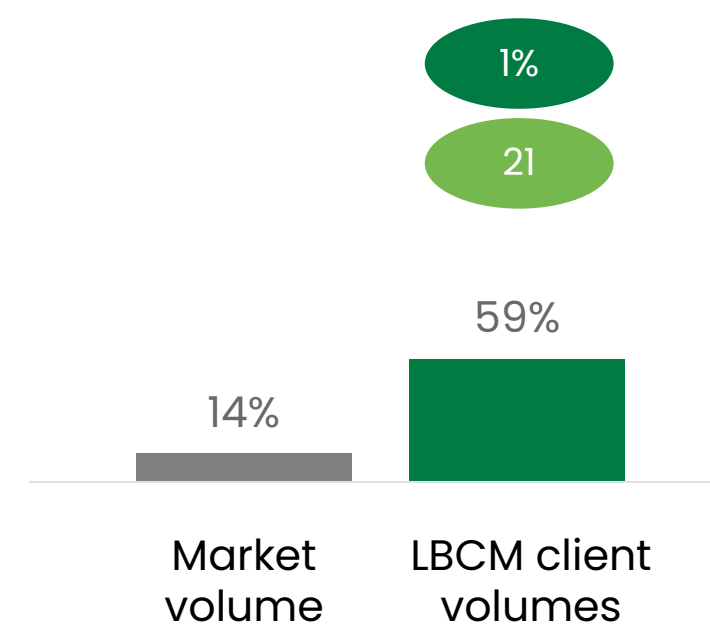
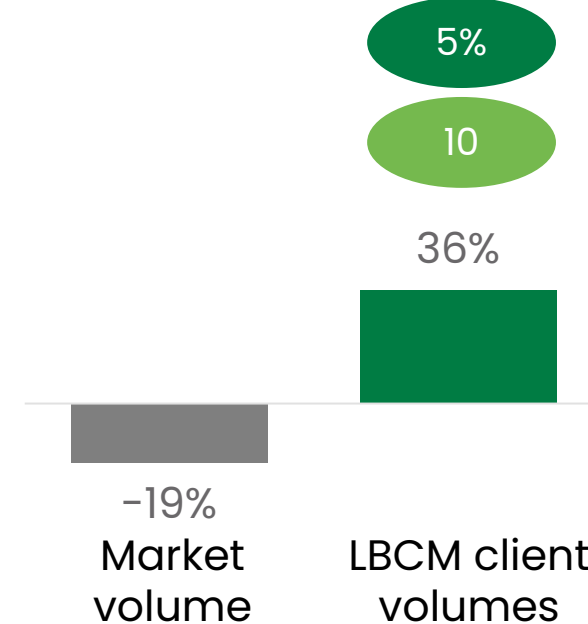
Strategic actions and future growth potential

Quarter of UK plc issuance is in GBP⁵; **growing in Euro and USD**

Providing **risk management solutions**

Building on **Top 5** franchise in **sustainable issuance**

Financial Markets

FX Volumes – All currencies⁴Inflation Linked Govt Bonds⁴

Targeting FX growth to capture natural market presence

Broadening **Rates participation** and **digitising Repo trading**

Enabling improved pricing, risk management and efficiency through **architecture redesign**

Opportunity

Partnering with clients across a greater proportion of financing and risk management activities

1 – 9M 2023 vs. 9M 2021; market share and rank represent 9M 2023. 2 – All Bonds (excl. SSA) – UK Issuers (EUR, USD, GBP). Source: Refinitiv Eikon. 3 – Structured Finance (excl. CDOs) – UK Issuers (EUR, USD, GBP). Source: Refinitiv Eikon. 4 – Source: Performance across primary trading platforms. 5 – Source: Refinitiv Eikon, J01 – UK Issuers, excluding SSA 2020–HY 2023.



Summary

Confident in CIB outlook



Strong performance with further upside



› **50%** revenue growth since 2021¹, with **further momentum** expected

Delivering on strategic initiatives



On track to achieve 2024 targeted strategic outcomes

Maintaining capital efficiency



‹ **£3bn net RWA growth** 2021–2024

Building profitable growth



Delivering **improved** and **sustainable returns**, supporting Group income diversification and Group RoTE objectives



Q&A

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