2025 Consumer Digital Index: The Generative AI edition (Published 3 Nov 2025)

Unlocking value through digital and AI leadership

Lloyds Banking Group
6 November 2025

Introduction

Charlie Nunn

Welcome and introduction

Our strategic seminar series

October 2023:
Deepen and innovate in Consumer

November 2023:
Develop our Corporate & Institutional business

March 2024:
Broaden our Mass Affluent and IP&I offering

June 2024:
Digitise and diversify our BCB business

November 2025:
Unlocking value through digital and AI leadership

Today's presenters

Charlie Nunn
Group Chief Executive

Ron van Kemenade
Chief Operating Officer

Agenda

1. Introduction to today's seminar
2. Digital and AI strategy overview
3. Wrap-up and key takeaways

Innovating at scale to unlock value

Purpose

Helping Britain Prosper

Digital and AI leader today, with **clear competitive advantages**

Enhancing infrastructure and capabilities to create a platform for innovation

Driving **improved customer and Group outcomes** through innovative solutions

Extending leadership position across **new and emerging technologies**

Delivering significant value today and well positioned to accelerate over future periods

Building on distinct competitive advantages

Significant scale

>23m
Digitally active users

>21m
Mobile app users

Unrivalled engagement

c.7bn
Annual digital logons

>95%
Retail sales via digital channels

Unique, broad data asset

1 in 4
Card payments processed

>1m
Relationships with UK businesses

Strong AI foundations

>800
AI models live today

#1
UK domestic bank in Evident AI index

Combination of competitive advantages provides foundation for long-term leadership

Significant progress to date, executing on a clear journey

	2021	Today
Scale & engagement	**Largest** UK digital bank *c.15m mobile app users* *>4bn digital logons*	**Digital and AI leader**, unrivalled engagement *>21m mobile app users (>40% growth)* *c.7bn digital logons (c.50% growth)*
Infrastructure & capability	**Resilient, but complex tech estate** *Negligible migration to Cloud* *15% of change delivered through agile*	**Modern and efficient platforms** unencumbered by legacy *New core banking system launched; >50% applications and 5 PB[1] data migrated* *100% of change delivered through agile, enabled by Platform operating model*
Customer innovation		Increased **proposition innovation**, leveraging unique data asset *Providing leading experiences within mobile app and extending across the Group* *Broadening revenue base through data-led solutions (e.g. Your Credit Score)*
New and emerging technology adoption		Actively **scaling AI** and shaping the future of **digital assets** *c.50 live Gen AI use cases in 2025, piloting in-app agentic use cases* *Delivered industry-first digital assets use case*

1 – Petabytes.

Driving significant value now and for the future

Accelerating revenue growth…

…and transforming efficiency

Delivering value today…

Current value drivers and benefits (examples)

Launching new propositions
>15pp increase in loan conversion rate from Your Credit Score[1]

Increasing personalisation
c.15m monthly visits to Spending Insights and Upcoming Payments

Digitising origination and fulfilment journeys
Up to 15x reduction in BCA opening times

>70% contribution to >£1.5bn additional revenues from strategic initiatives by 2026

Current value drivers and benefits (examples)

Enabling self-servicing
>40% increase in active customers served per distribution FTE since 2021

Scaling Gen AI tools
>20k front-line colleagues using Gen AI knowledge management tool

Mitigating fraud
>£200m fraud detection and prevention benefits realised[2]

>60% contribution to c.£1.5bn gross cost savings delivered since 2021 (as at H1 2025)

…and building capability to unlock future value

Future value drivers and benefits (examples)

- Gen AI
- AI agents
- Digital assets

Increasing leads and conversion

Lowering acquisition costs

Future value drivers and benefits (examples)

- 24/7 experiences
- Agentic marketplaces
- Zero-based operations

Increasing productivity

Reducing cost-to-serve

1 – Following sharing of income and expenditure data. 2 – Since 2023.

Introduction to Ron van Kemenade

A highly experienced, best-in-class technology leader…

Head of Internet and E-Commerce

Group CTO and ING Board Member
CIO, ING Group; CIO, Netherlands

European CIO of the Year 2017

…building an end-to-end technology centre of excellence at LBG

- Technology & Innovation
- Data & Analytics
- Cybersecurity
- Payments
- Procurement

Digital and AI strategy overview

Ron van Kemenade

Overview

A clear ambition…

“A unique opportunity to **redefine the future of banking**, powered by the **unlimited potential of technology and AI**”

…guiding our strategic journey

Addressing the past

Enhancing infrastructure and capabilities to enable change

Delivering today

Innovating to drive better customer outcomes

Building for the future

Extending leadership position across new and emerging technologies

Modernising infrastructure to create a platform for innovation…

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Actively managing tech estate…

Delivering on our strategic priorities, with significant progress since 2021

>20% Reduction in technology applications (2026 target: 20%)

>40% Reduction in number of data centres (2026 target: >60%)

>25% Gross reduction in run and change technology costs (2026 target: 35%)

…building on modern technology, unencumbered by legacy infrastructure

>50% Applications on **Cloud**

5PB Data migrated to **Cloud**

Thought Machine — Savings products initiated on **new core banking system**, in partnership with **Thought Machine**; extending to additional products over time

…driving clear benefits

Accelerated **speed to market**
Case study on slide 13

Strengthened **resilience**
c.35% lower outage hours than UK peer avg.[1]

Improved **customer journeys**
Case study on slide 15

Lower **cost-to-serve**
25% increase in IP&I policies serviced per FTE since 2021

Increasing pace of innovation made possible by accelerated shift to modern technologies

1 – Source: Treasury Committee responses. Time period between January 2023 and February 2025.

…whilst investing in our people to create enduring benefits

Becoming a destination employer for technology talent

Attracting talented tech leaders…

aws | Apple | Google | IBM

…whilst investing in talent pipelines…

>900 Technology-focused graduate hires since 2019; first UK bank to launch Data Science scheme

…and improving Group-wide skills

UNIVERSITY OF CAMBRIDGE ‘AI for leaders’ training, with Cambridge University

Increasing productivity by bringing talent in-house

Increasing in-house engineering…

c.8k Technology and data hires since 2021, including launch of Lloyds Technology Centre

…to rebalance workforce

Permanent workers as proportion of technology workforce

2021	Today	Future aspiration
c.30%	c.60%	c.80%

Driving agile delivery through Platform operating model

Combining business and tech teams…

>10k Colleagues across c.40 Platforms; c.80% of teams weighted towards tech talent

…to improve efficiency of change

c.35% Average improvement in release times during 2025

100% Change portfolio delivered through agile (15% pre-Platforms)

Building a best-in-class, highly engaged, skills-based organisation

Resetting change through our Platform operating model

Platforms: Combining business and technology teams to drive agile delivery

Business owners

Business lead

Decides 'What'

Technology owners

Technology lead

Decides 'How'

Product owner	Customer journey manager	Integrator	Software engineer	DevOps engineer	Business agility lead
Owns product strategy	*Documents journeys*	*Co-ordinates change*	*Writes code*	*Develops tooling*	*Provides agile coaching*

Shared objectives

Standardised tools and processes

Ongoing assessment and prioritisation

Delivering value

Case study: Lloyds Premier PCA (Launched May 2025)

Everyday Banking Platform

A significant transformation…

>60% Improvement in delivery lifecycle vs. typical project

…delivering a compelling customer proposition

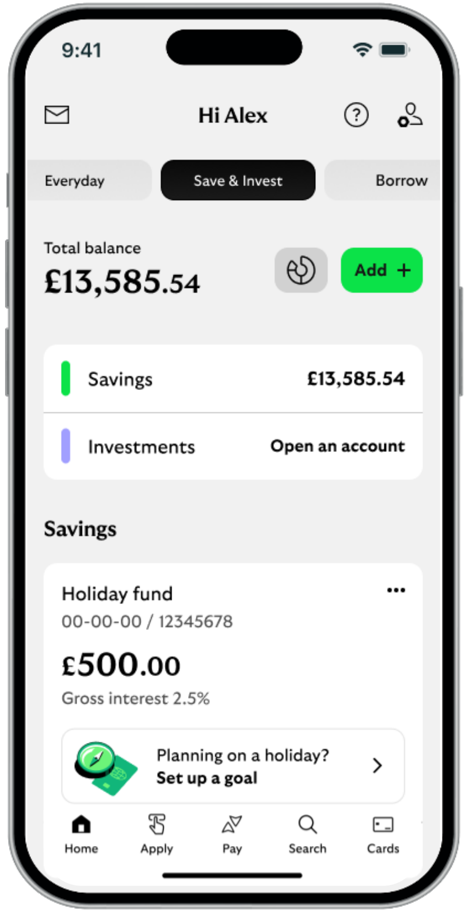
c.80% Higher average balances vs. non-Premier products[1]

c.2x Higher depth of relationship[2]

c.£0.3bn gross cost savings realised through Platform model to date

1 – Average balances on two Preferential Rate Premier products vs. equivalent non-Premier products. 2 – Compared to total customer base.

Providing leading experiences within the mobile app…



Delivering innovative, integrated propositions…

c.40% of Ready-Made Investments customers aged <35

Integrated mortgage journey supporting **c.15pp** protection take-up rate increase

…with regular feature upgrades and increased personalisation…

c.15m monthly visits to Spending Insights and Upcoming Payments pages

c.13m customers receiving push alerts with **20m** notifications sent every day

…and Gen AI embedded solutions…

Gen AI in-app assisted search function awarded '**Best AI use in Finance**'

…underpinned by transformed servicing journeys

c.30pp increase in customer-led interactions via in-app messaging channels since 2022, driving >**20%** reduction in call volumes

Combining franchise breadth and digital scale to drive differentiation

Delivering value

>40%

Increase in mobile app users vs. 2021, contributing to >50% increase in annual app logons

+20pp

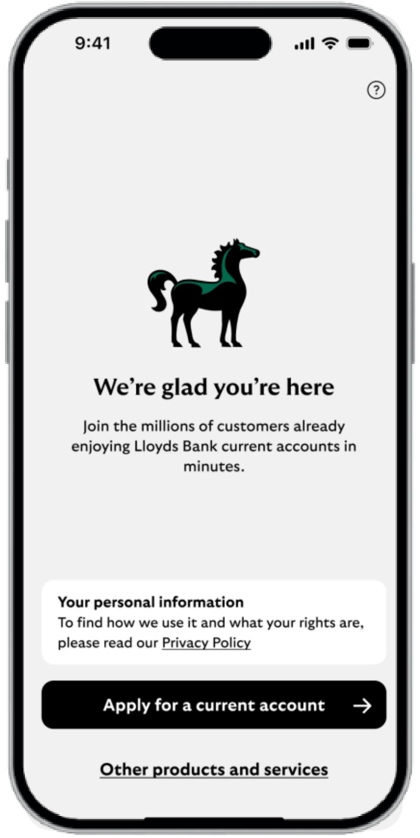
Increase in proportion of Retail product openings through mobile app vs. 2021

>40%

Increase in active customers served per distribution FTE since 2021

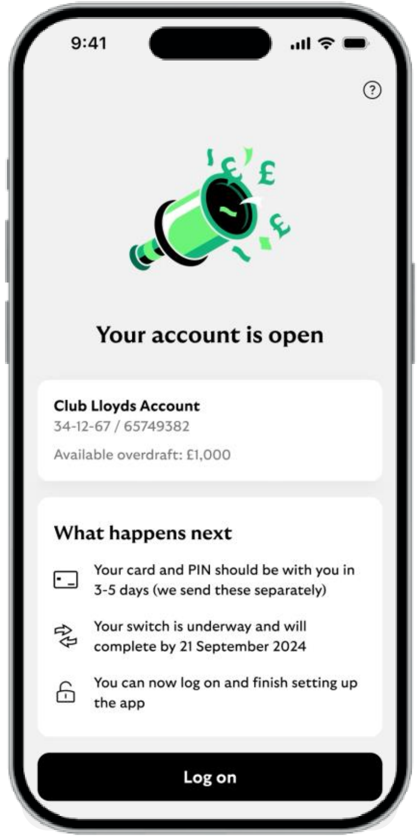
…supported by frictionless customer journeys

Case study: New mobile PCA onboarding

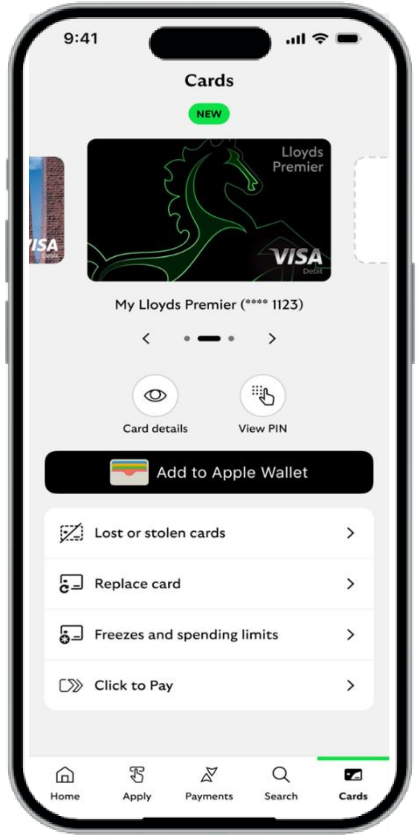


8 weeks from design to initial test launch

Streamlined journey, all in the mobile app



7 mins completion time
# of screens in line with neobanks



Debit card **available instantly** through app and digital wallets

c.90% of applications now through mobile app (c.20% in 2023)

Extending capabilities across the Group

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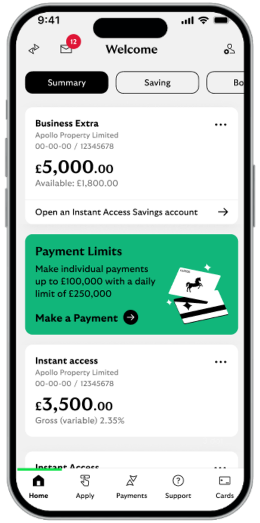
Driving mobile engagement

IP&I

BCB



IP&I: Scaling **digital waterfront** to **>1.5m** customers by 2026, **c.0.7m** app users today

BCB: **>600k** mobile active businesses, **c.60%** increase in logons vs. 2021

Digitising front-to-back

IP&I

c.4m policies migrated to fully digital administration system

25% increase in policies serviced per FTE since 2021

BCB

Up to 15x opening time reduction from digital BCA origination

c.45% of key servicing interactions digitised

CIB

Launched **market-leading algorithmic FX** execution service

Award-winning CM&P[1] platform secured UK Gov. banking mandate

Embedding Gen AI

Case study: New Gen AI-powered solution to support SME lending in Commercial Real Estate

Reducing origination processing time for complex tenancy schedules

Entirely in-house build on own architecture using Platform model

c.5 minutes processing time per case vs. hours previously

Faster access to capital for clients

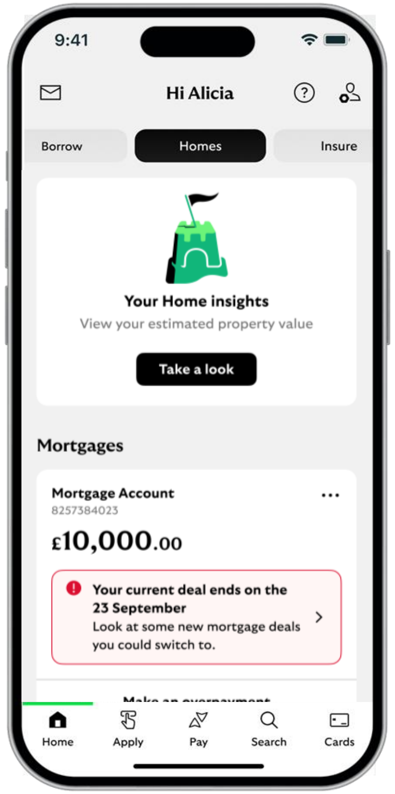
Extending across RM population, **scaling benefits**

Driving operating leverage at scale across the full breadth of the Group

1 – Cash Management & Payments.

Increasing reach through ecosystems to drive high-value growth

Case study: Increasing engagement through Home Hub



Delivering value

>**450k** monthly visits

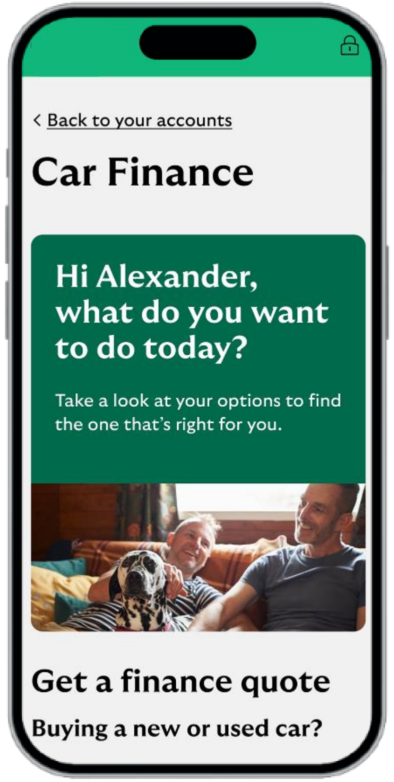
>**10pp** higher Product Transfer engagement

c.15% residential refinancing via Home Hub

c.£10bn balances retained in FY24/H1 2025

Increasing access to **broader offering** e.g. customer rewards, retrofitting

Case study: Delivering a connected Transport proposition



Delivering value

>**30%** increase in digital D2C new lending YTD with mobile now largest channel

Piloting **used car sales** through mobile app

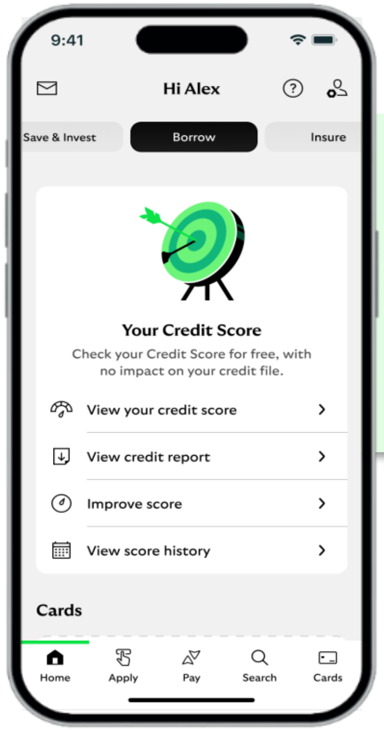
Leveraging fintech investment in **Caura** to offer **complementary mobility services**

Increasing access to **broader offering** e.g. car insurance

Built new predictive **AI-powered RV models**

Building on existing franchise strengths to meet broader range of customer needs all in one place

Leveraging unique data asset through innovative propositions



Case study: Deepening relationships through Your Credit Score

>12m	>500k	c.8%	>15pp
Your Credit Score users	Credit score improvements per quarter in 2025	Contribution to cards/loans digital sales	Increase in loan conversion rates[1]

Case study: Unlocking connected commerce through Market Intelligence

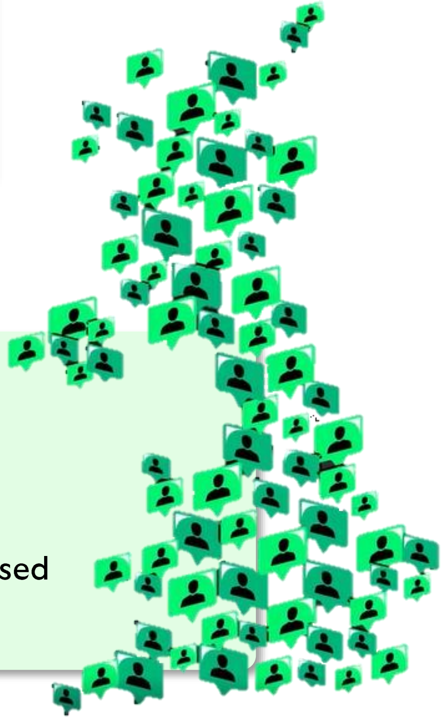
GlobalMutual — Case study

dfs — Case study

OPEN — LEX AUTOLEASE

Providing **bespoke data solutions** and **actionable insights** for Commercial clients…

…**supporting deeper client relationships** (e.g. increased financing activity, ancillary business growth)



Broadening our addressable revenue base to support long-term growth

1 – Following sharing of income and expenditure data.

Progress to date positions us well for the future

Addressing the past

Enhancing infrastructure and capabilities to enable change

Significantly **reduced legacy** estate

Building on **modern technology**

Creating a **skills-based organisation**

Resetting change through **Platforms**

Delivering today

Innovating to drive better customer outcomes

Providing **leading customer propositions**

Extending capabilities across the Group

Increasing reach through **ecosystems**

Leveraging **unique data asset**

Building for the future

Extending leadership position across new and emerging technologies

Actively **scaling Gen AI**

Building to be at **forefront of Agentic AI**

Positioning as **UK leader for digital assets**

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Actively scaling Gen AI, delivering value

c.50 live use cases in 2025 across 5 domains, embedded in the business

Customer interactions

Example use case: Gen AI powered in-app search function

Awarded '**Best AI use in Finance**'

Customer operations

Example use case: Complaints handling and automation

<1 second

Individual complaint classification times (from c.5 mins)

Frontline / RM support

Example use case: Knowledge mgmt. tool rolled out to >20k colleagues

c.66%

Average improvement in search times

Colleague assistants

Example use case: HR assistant rolled out across the group

c.90%

First time query handling

Engineering support

Example use case: c.5k Engineers leveraging GitHub Copilot for coding

c.50%

Time improvement for legacy code conversion

Industry recognition

Microsoft

Recognised by Microsoft as **leading AI adoption in FS**

c.30k Copilot licences

>**90%** daily usage (**c.45 min** saving[1])

EVIDENT

Evident AI index global financial services benchmarking

#15 (+12 vs. 2024)

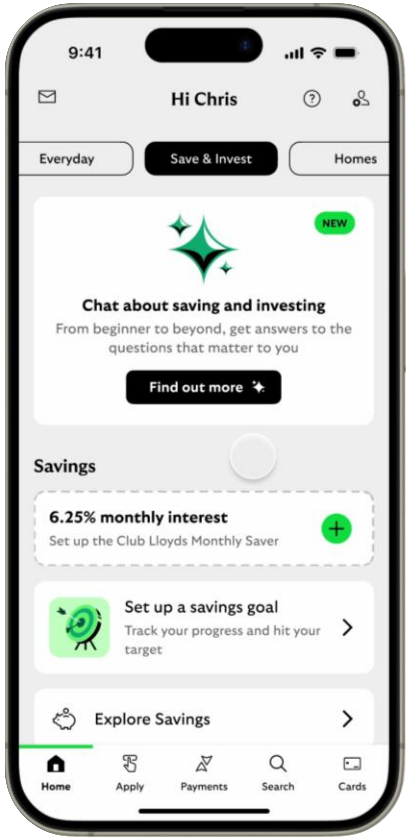
#1 UK domestic bank

On course to deliver c.£50m of incremental value in 2025 – significant further opportunity as use cases scale

1 – Daily saving based on a survey of 1,000 users.

Building capability to be at the forefront of Agentic AI

Case study: Bridging the advice gap through in-app agents



First in-app Agentic AI use-cases

Colleague pilots now live – focused on **money management,** and **savings** and **investments**

Proactive questions to build clear understanding of **needs** and **goals,** supported by tailored **educational content** and **guidance**

Press release: LBG unveils UK's first multi-feature AI-powered financial assistant

Clear opportunities to drive customer engagement

Nearly **1 in 3** UK adults use AI weekly for money management

23% of **25 to 34 year olds** trust AI generated financial advice and insights more than traditional sources

Source: 2025 LBG UK Consumer Digital Index

Scope to expand in-app agent proposition over time

Example areas

Home buying

Protection

Transport

Targeting full customer scaling during 2026, reimagining customer outcomes

Positioning the Group as the UK leader for digital assets

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Taking a leadership role through firm-specific and industry wide initiatives

DIGITAL FINANCE LAB

Digital Finance Lab established, supported by business unit representatives

UK Finance
BIS Innovation Hub

Co-Chair of **UK Finance** project delivering GB Tokenised Deposits

Key member of **BIS Project Agora**

Clear development pipeline across Retail and Commercial, accelerating in 2026

2025

Completed **UK-first digital assets use-case** with Aberdeen Investments and Archax

UK Finance **GB Tokenised Deposits (GBTD)** pilot use cases announced

2026+

Delivering **UK Finance GBTD use cases** (P2P payments via online marketplaces, remortgaging processes, digital asset settlement)

Rolling out **Digital Asset Platform** with tokenised deposits for CIB customers

Modernising consumer and client channels to support integration and accelerate delivery

Unlocking new revenue streams whilst protecting deposit base

Delivering value

Case study: Aberdeen/Archax (July 2025)

Addressing a sizeable market opportunity…

Largest global derivative trading hub (c.50% share)[1]

…with a landmark industry first use-case…

aberdeen Investments
ARCHAX

Tokenised units used as collateral for FX trades between Aberdeen and LBG

…creating clear future benefits for clients…

- Lower funding costs
- Improved capital efficiency
- Reduced settlement times

…and supporting deeper client relationships

1 – Source: BIS/Bank of England.

Summary

Charlie Nunn

Increasing pace of change creates unique opportunity

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Combining technology advancements…

Late-2000s
First cryptocurrencies launched using Distributed Ledger Technology (DLT)

Early-2010s
Accelerated shift from digital to mobile (app) banking

Mid-2010s
Increased AI use-cases (e.g. Chatbots)

Late-2010s
Increased consumer adoption of digital assets/cryptocurrencies

Early-2020s
Continued improvement of Gen AI capability

Today
Increased mainstream adoption of Gen AI and digital assets; accelerating shift to Agentic AI

…with increasing levels of customer adoption…

Nearly 1 in 3
UK consumers using AI weekly for personal finance and money management[1]

c.50%
Of current users expect to increase AI usage over next 12 months[1]

c.120%
CAGR in average supply of stablecoins in circulation 2019-2025[2]

…and a supportive regulatory backdrop

Bank of England / UK Finance: Active collaboration between industry bodies, UK Government and Bank of England to position UK at forefront of digital assets

FCA – Financial Conduct Authority: Scope to effectively address advice gap: in-app AI agent currently in FCA sandbox for investment advice

Significant opportunity to reimagine future of financial services value chain

1 - Source: 2025 LBG UK Consumer Digital Index. 2 – Source: Visa Onchain.

Well positioned to address a transformational opportunity

The combination of Agentic AI and digital assets has the potential to reshape financial services

Example scenarios

Homes

Customers use **agents to source and execute mortgage arrangements**, tailored to individual requirements

Tokenised records and **programmable currency** offer a seamless conveyancing process

Trade

Clients use **agents to automate compliance screenings**, **credit risk assessment** and **monitoring**

Real-time settlement enabled by **programmable money** and **smart contracts**

As the scale leader in transformative technologies, we are well positioned to seize the opportunity

Trust

Customers value trusted, secure institutions

Breadth

Able to provide key solutions for broad range of life events

Data

Can offer uniquely personalised products, rewarding loyalty

Capabilities

Establishing a best-in-class, skills-based organisation

Innovating at scale to unlock value

Building on strong foundations...

- Significant **scale**
- Unrivalled **engagement**
- Unique, broad **data asset**
- Strong **AI foundations**

..and executing on a clear strategy

Addressing the past	Enhancing infrastructure and capabilities to enable change
Delivering today	Innovating to drive better customer outcomes
Building for the future	Extending leadership position across new and emerging technologies

Delivering significant value today and well positioned to accelerate over future periods

Q&A