



ShareSoc webinar

Lloyds Banking Group
8 September 2026



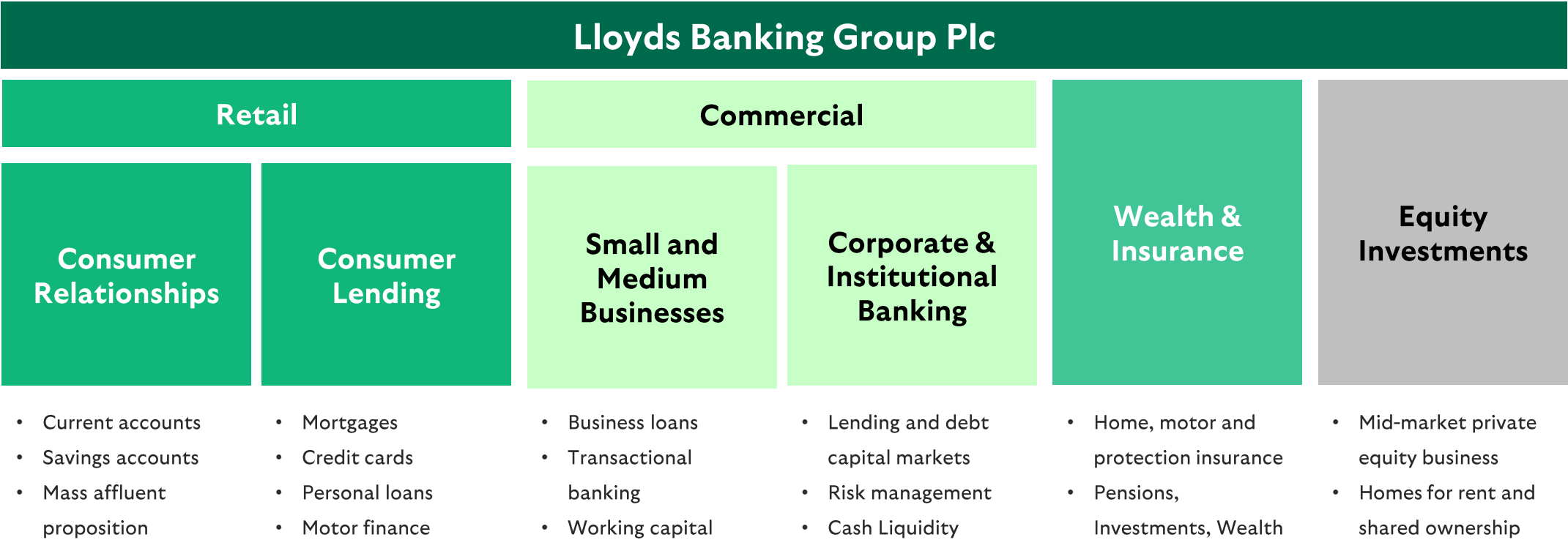


Welcome and introduction to LBG

Douglas Radcliffe, Group Investor Relations Director
Tom Grantham, Investor Relations Senior Manager

Leading UK digital bank and integrated financial services provider





The UK financial services leader - customer focused, digitally led

Market leader

c.28m Retail customers

c.1m Commercial relationships

#1 or leading positions
across target segments and products

Digital and AI leader

c.22m Mobile app users, UK's
largest digital bank

c.7bn Annual digital logons

'Outstanding' in Euromoney ranking
of best digital banks globally

>800 AI models live today

Cost and capital leader

Since 2021

>£2bn Gross cost savings

c.£28bn Cumulative RWA
optimisation

c.£17bn Shareholder distributions
(c.25% of m/cap)

Low risk, diversified balance sheet underpinning sustained value creation

£492bn

Customer lending
(H1 2026)

£501bn

Customer deposits
(H1 2026)

c.£20bn

Group net income (FY 2026)
c.34% OOI contribution

>16%

Return on Tangible Equity
(FY 2026)

Delivery on our Purpose, driving profitable growth

A consistent Purpose, with strong financial performance

Helping Britain Prosper

Strategic delivery accelerating, benefitting customers and wider stakeholders

Sustained strength in financial performance

Strong capital generation, enabling 30% dividend growth YoY and £1.0bn buyback

Reiterating guidance for 2026; announcing our new strategy and guidance to 2030

Impact since 2022

Illustrative examples

>£10bn

Financing support to the social housing sector

>£35bn

New finance to small business customers

>£80bn

Sustainable financing provided

>12m

Your Credit Score customers;
>500k quarterly score improvements

>2,500

New apprentices, with a quarter from a Black, Asian and Minority Ethnic background

HY results update



Sustained strength in financial performance

Financial performance ¹ (£m)	H1 2026	H1 2025	YoY %	Q2 2026	Q1 2026	QoQ %
Net interest income	7,278	6,655	9	3,709	3,569	4
Other income	3,310	2,969	11	1,705	1,605	6
Operating lease depreciation	(841)	(710)	(18)	(452)	(389)	(16)
Net income	9,747	8,914	9	4,962	4,785	4
Operating costs	(4,876)	(4,874)	-	(2,402)	(2,474)	3
Remediation	(39)	(37)	(5)	(28)	(11)	
Total costs inc. remediation	(4,915)	(4,911)	-	(2,430)	(2,485)	2
Underlying profit pre impairment	4,832	4,003	21	2,532	2,300	10
Impairment charge	(617)	(442)	(40)	(322)	(295)	(9)
Underlying profit	4,215	3,561	18	2,210	2,005	10
Statutory profit after tax	3,123	2,544	23	1,568	1,555	1
Net interest margin	3.19%	3.04%	15bp	3.22%	3.17%	5bp
Cost:income ratio	50.4%	55.1%	(4.7)pp	49.0%	51.9%	(2.9)pp
Return on tangible equity	17.1%	14.1%	3.0pp	17.0%	17.0%	-
TNAV per share	57.0p	54.5p	2.5p	57.0p	57.9p	(0.9)p
Pro forma CET1 ratio	13.1%	13.8%	(0.7)pp	13.1%	13.4%	(0.3)pp

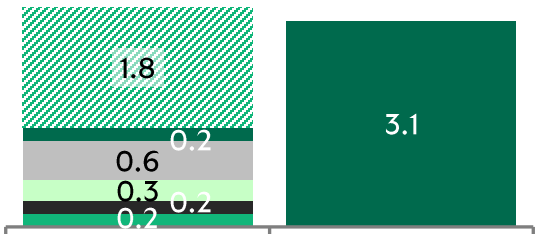
- Statutory PAT £3.1bn in H1; RoTE 17.1%
- Net income £9.7bn, up 9% YoY, with strong growth across net interest income and other income
- Operating costs £4.9bn, flat YoY

Robust balance sheet growth

Q2 lending change (£bn)

Retail
+£1.5bn/0%
(+£3.3bn / 1% excl.
securitisation)

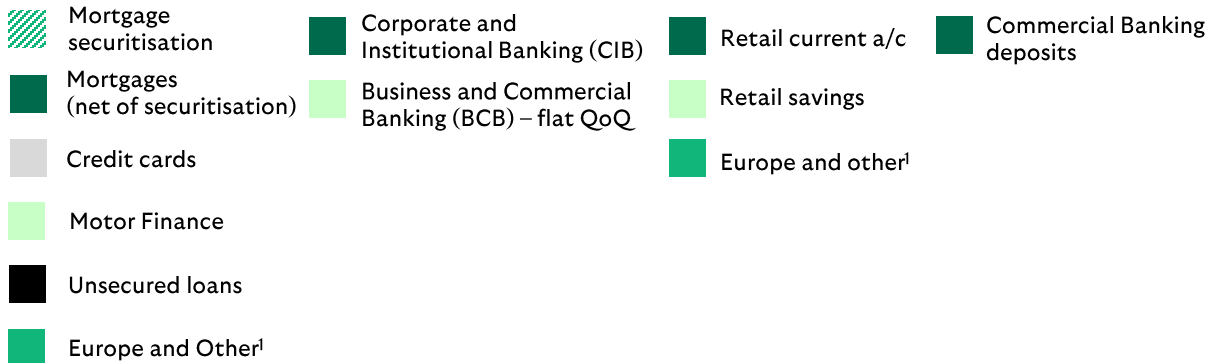
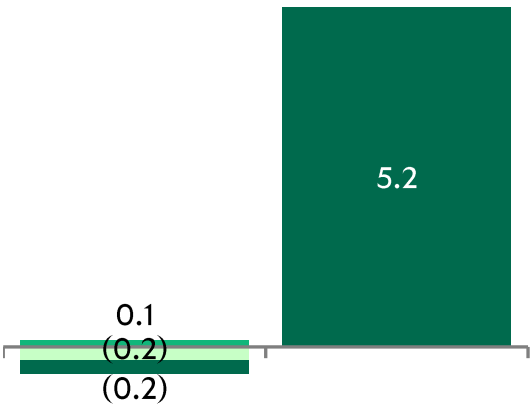
Commercial
+£3.1bn/3%



Q2 deposit change (£bn)

Retail
£(0.3)bn/(0)%

Commercial
+£5.2bn/+3%

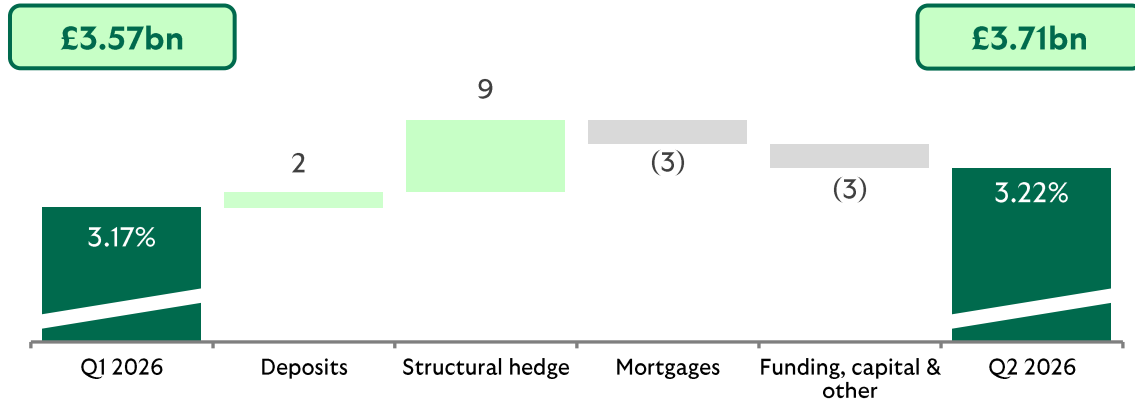


- Lending £491.5bn, up £5.3bn / 1% in Q2, 2% YTD
 - Q2 mortgages up £0.2bn, £2.0bn excl. securitisation
- Deposits £500.9bn, up £5.0bn / 1% in Q2, 1% YTD

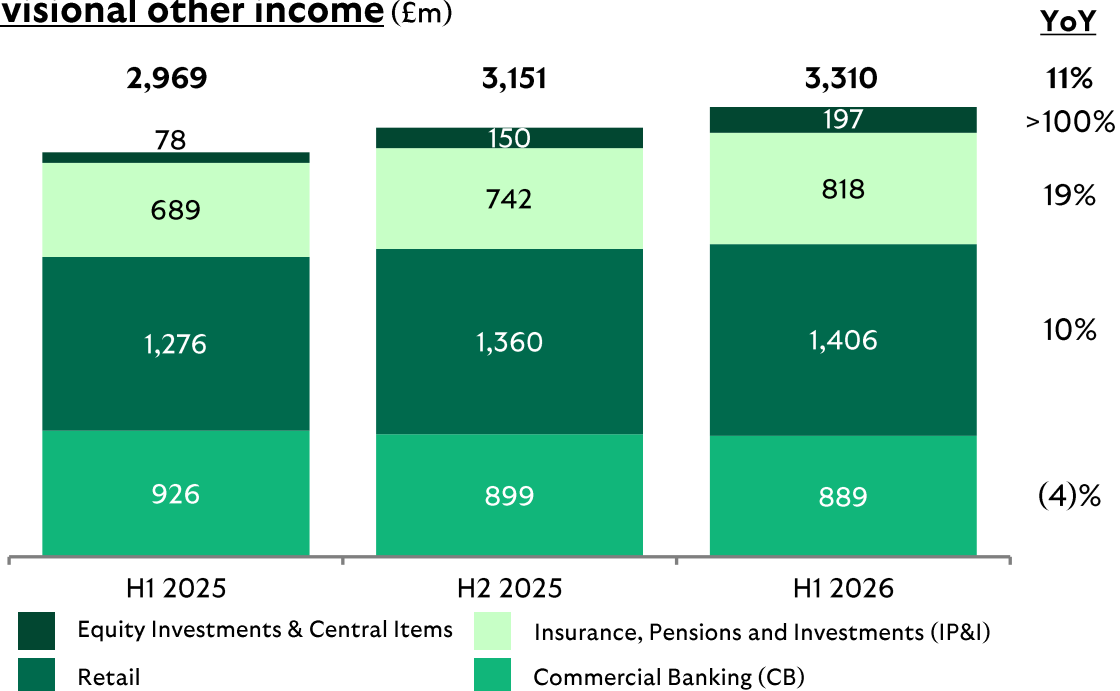
¹ – Includes Europe and UK private bank. Lending also includes Overdrafts.

Continued income growth

Net interest income and banking net interest margin (£bn, bps)



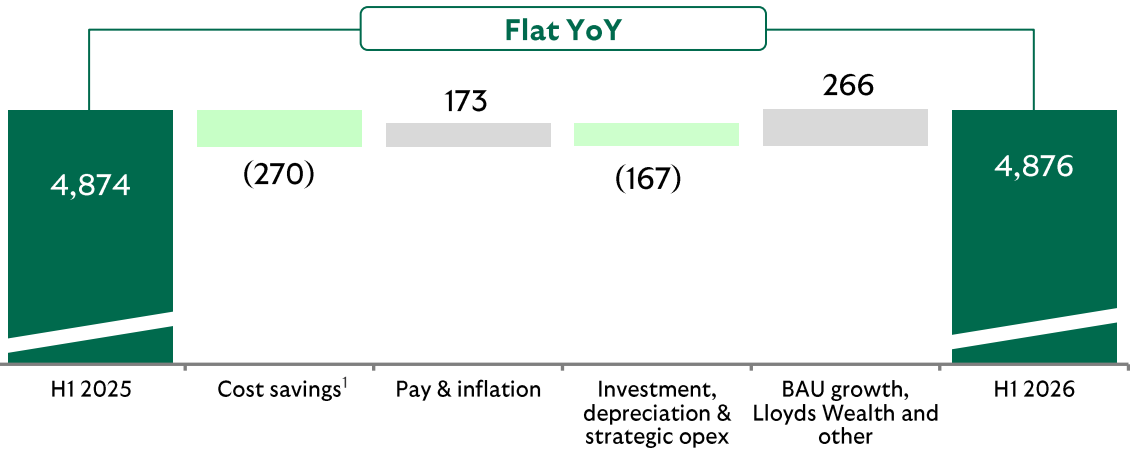
Divisional other income (£m)



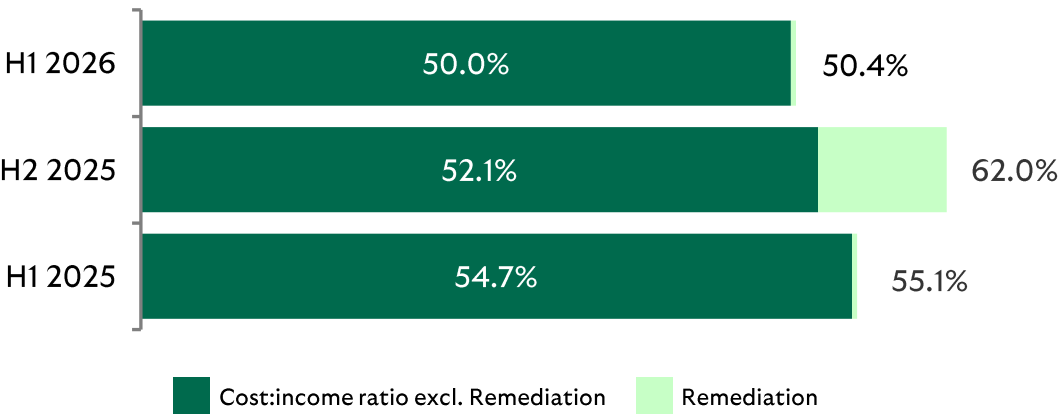
- H1 NII £7.3bn, up 9% YoY, Q2 up 4% QoQ
- H1 NIM 319bps; Q2 NIM 322bps up 5bp QoQ
- H1 structural hedge earnings of £3.4bn
 - Continue to expect hedge income of >£7bn in 2026 and >£8bn in 2027, with growth to the end of the decade
- Continue to expect 2026 NII of >£14.9bn
- OOI £3.3bn in H1, up 11% YoY; £1.7bn in Q2

Continued discipline on costs

Operating costs (£m)



Cost:income ratio (%)



- H1 operating costs £4.9bn, flat YoY; £2.4bn in Q2
- H1 cost:income 50.4%; 49.0% in Q2
- Continue to expect cost:income ratio <50% in 2026

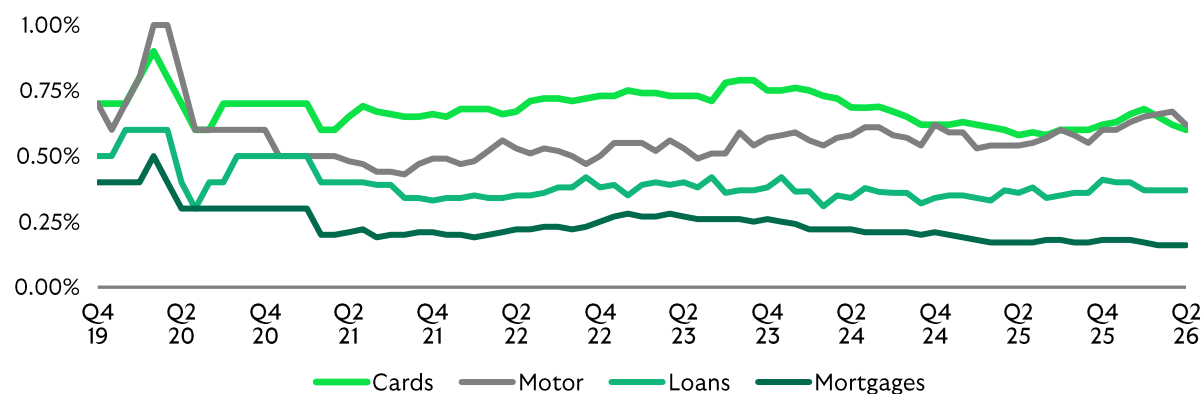
1 – Does not include change savings.

Continued strong and stable credit performance

Impairment (£m)

	H1 2026	H1 2025	YoY £m	Q2 2026	Q1 2026	QoQ £m
Charge (credit) pre updated MES ¹	537	451	86	343	194	149
<i>Retail</i>	488	426	62	264	224	40
<i>Commercial Banking</i>	48	25	23	78	(30)	108
<i>Other</i>	1	-	1	1	-	1
Updated economic outlook	80	(9)	89	(21)	101	(122)
<i>Retail</i>	77	(84)	161	(18)	95	(113)
<i>Commercial Banking</i>	3	75	(72)	(3)	6	(9)
Total impairment charge/(credit)	617	442	175	322	295	27

Retail new to arrears (3 month rolling average, %)

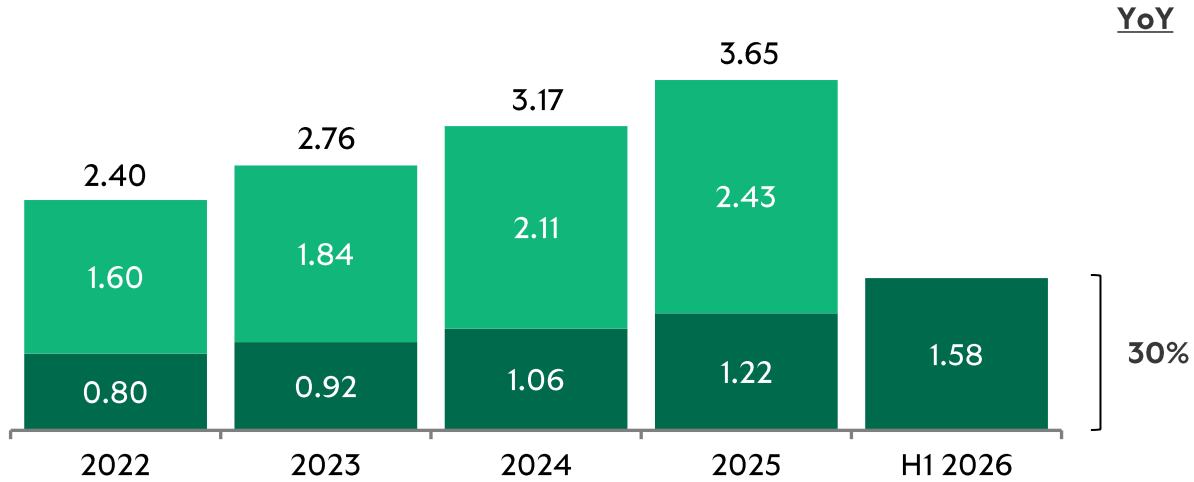


- H1 impairment charge £617m; AQR 25bps
- Q2 impairment charge £322m; AQR 26bps
- Continue to expect 2026 AQR c.25bps

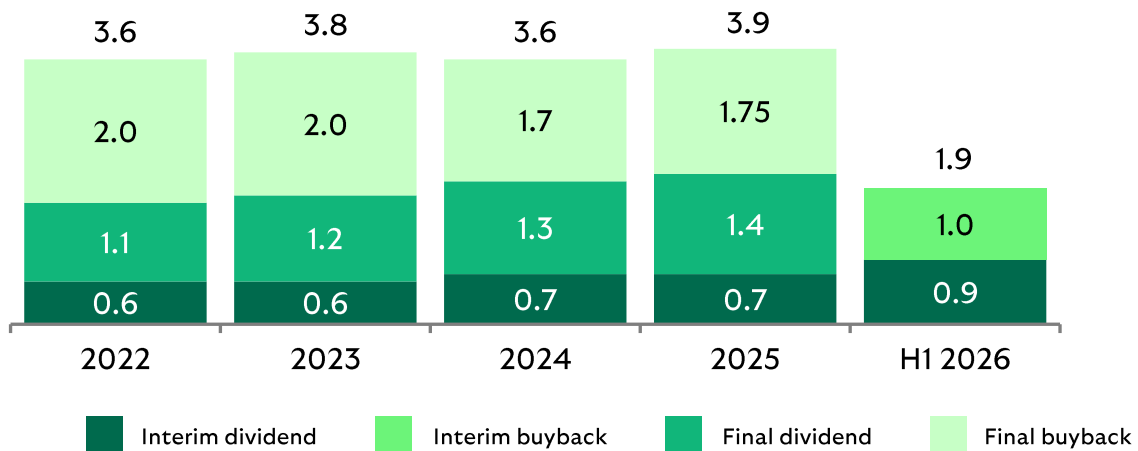
¹ – Impairment charges absent the impact from updated economic outlook, thus reflecting only observed movements in credit quality.

Significant growth in capital distributions

Dividend per share (pence)



Total distributions¹ (£bn)



- Interim dividend of 1.58p, 30% higher YoY
- First interim buyback of up to £1bn, supporting £1.9bn of capital return in the half
- Committed to returning excess capital

¹ – Announced in year. Chart uses rounded inputs.

Sustained strength in financial performance

Purpose
**Helping
Britain
Prosper**

2026 guidance	
Net interest income	>£14.9bn
Cost:income	<50% CIR (Operating costs <£9.9bn)
Asset quality ratio	c.25bps
RoTE	>16%
Capital generation	>200bps
CET1 ratio target	Pay down to c.13.0%
Capital distribution	Progressive and sustainable ordinary dividend

Committed to continued income growth, improving operating leverage, stronger, sustainable returns and growing capital generation



Accelerate

2030

Strategy overview

Purpose

Helping Britain Prosper

Customer Promise

*Making finance simpler,
smarter and more connected
for every moment that
matters*

Strategy

Accelerate through reimagined customer experiences, increased Group connectivity, and a productivity step-change, enabled by pioneering technology

Strategic pillars

**Grow
the core**

**Innovate to
deepen & diversify**

**Simplify
to outperform**

Financial outcomes

**Continued
income growth**
Mid-single-digit CAGR

**Improving
operating leverage**
<45% CIR in 2030

**Stronger,
sustainable returns**
c.20% RoTE in 2030

**Growing
capital generation**
>225bps in 2030

Three pillars represent distinct opportunities

Grow the core

Innovate to deepen & diversify

Simplify to outperform

Focus areas

Scale our market leading businesses

Accelerate in faster growing areas within our core

Reimagine customer experiences, leveraging AI

Increase cross-Group connectivity

Extend into higher-value, fee generating adjacencies

Broaden reach across third party and AI channels

Build future-ready skills and infrastructure

Deliver a digital and AI productivity step-change

Maximise capital efficiency

Key strategic priorities

New, unique Group **Rewards** offering

Broader, transformed **Homes** experience

Digital and AI-enabled, full-service **BCB**

Focused, modern, client centric **CIB**

Integrated **bancassurance** and **wealth**

UK's first integrated **transport ecosystem**

Data-led, connected propositions

New **wallet** and **payments** products

Data as an AI enabler

Modernised **core platforms**

Reinvented **servicing** and **operations**

Scaled **originate to distribute**

Maintain/Grow market share

High-single-digit OOI CAGR

c.£2bn gross cost savings

Building on our competitive advantage...

**Market
leader**

**Digital and
AI leader**

**Cost and
capital leader**

...to deliver an ambitious strategic plan

**Grow the
core**



**Innovate to
deepen & diversify**



**Simplify to
outperform**



Driving sustainable value creation

Continued income growth

Mid-single-digit net income CAGR
High-single-digit OOI CAGR

Improving operating leverage
<45% CIR in 2030, with YoY reductions

Stronger, sustainable returns
c.20% RoTE in 2030

Growing capital generation
>225bps in 2030

Cross-Group priorities: An outstanding connected opportunity



Bancassurance penetration

Seamless customer journeys and customer value added

End-to-end wealth proposition

Customer flow through self-directed, advised propositions and Workplace

Whole-Group Innovation Banking proposition

BCB relationships, CIB product capabilities, Private Banking connectivity

Employee needs for corporates

Tusker, Workplace and Cards scaled across Commercial customer base

AI: A scale financial services leader, with significant opportunity

Established leadership

Scale leadership characteristics:

**Trust, Breadth,
Data, Capabilities**

Recognised industry leader, incl.
ranked **#15** in Evident AI index
(fastest rising UK bank)

Copilot to be rolled out to **all
colleagues** (from **c.40k** today)
in 2026

 Microsoft 
Strategic partnerships with key
industry providers

Clear revenue and cost opportunities from scale adoption

Delivering value today

‘Explore your spending’ live to **>11m** customers

40k colleagues using knowledge management
tool; search times **up to 75%** lower

Complaints classification times reduced to
<1 second

c.90% digital fraud value detection rate

>11k engineers & developers using Github Copilot;
c.50% legacy code conversion time reduction

**Incremental
revenue
growth**

**Efficiency
step change**

Key initiatives in active build

Customer **coaching and advice** agents (e.g. InvestAI)

Personalised **Group-wide Rewards**

Intelligent pricing and **faster underwriting** (e.g. Protection)

AI assistants for **Relationship Managers**

Voice enabled **servicing agents**

Complaints **case management automation**

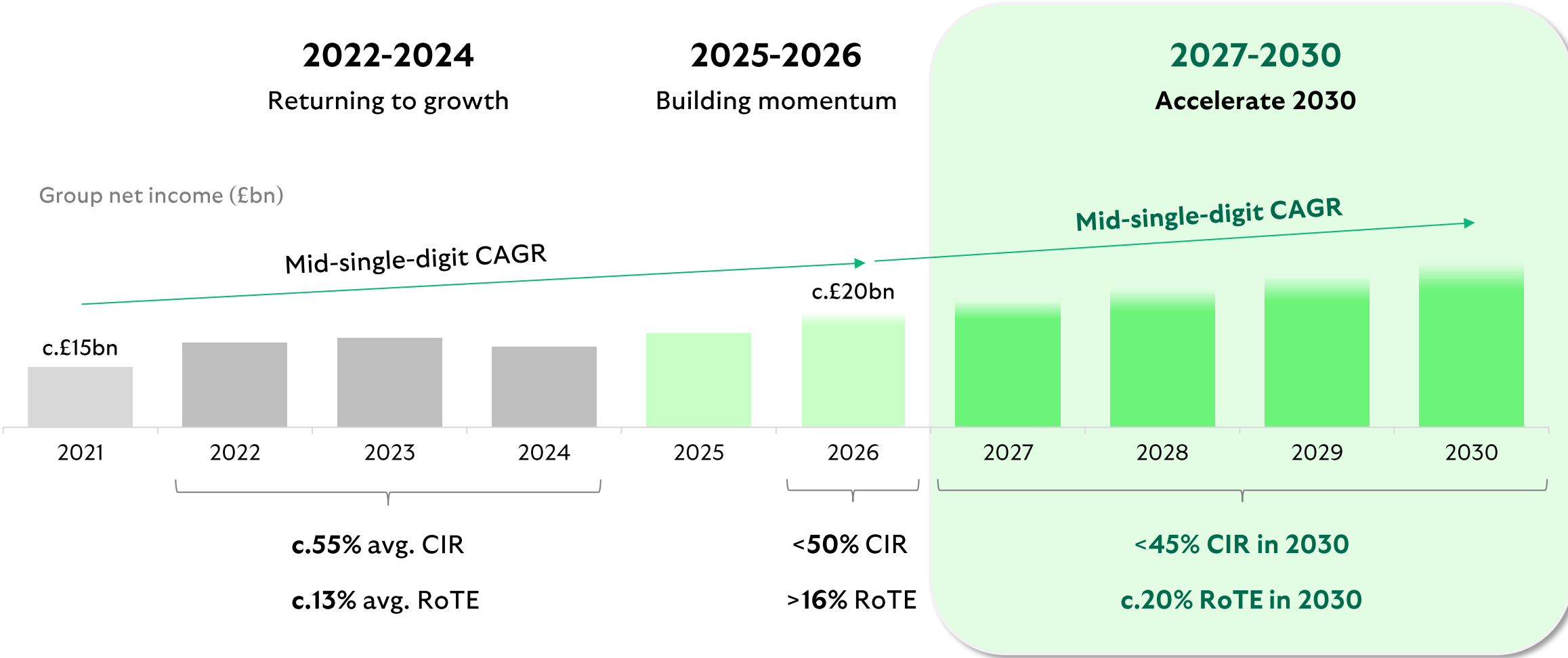
Enhanced **fraud detection** and **resolution**

Transformed **engineering tooling** and **colleague productivity agents**

Substantial AI value driving revenue growth and efficiency

Financial outlook reinforces our track record

Growing revenues and improved operating leverage driving stronger, sustainable returns



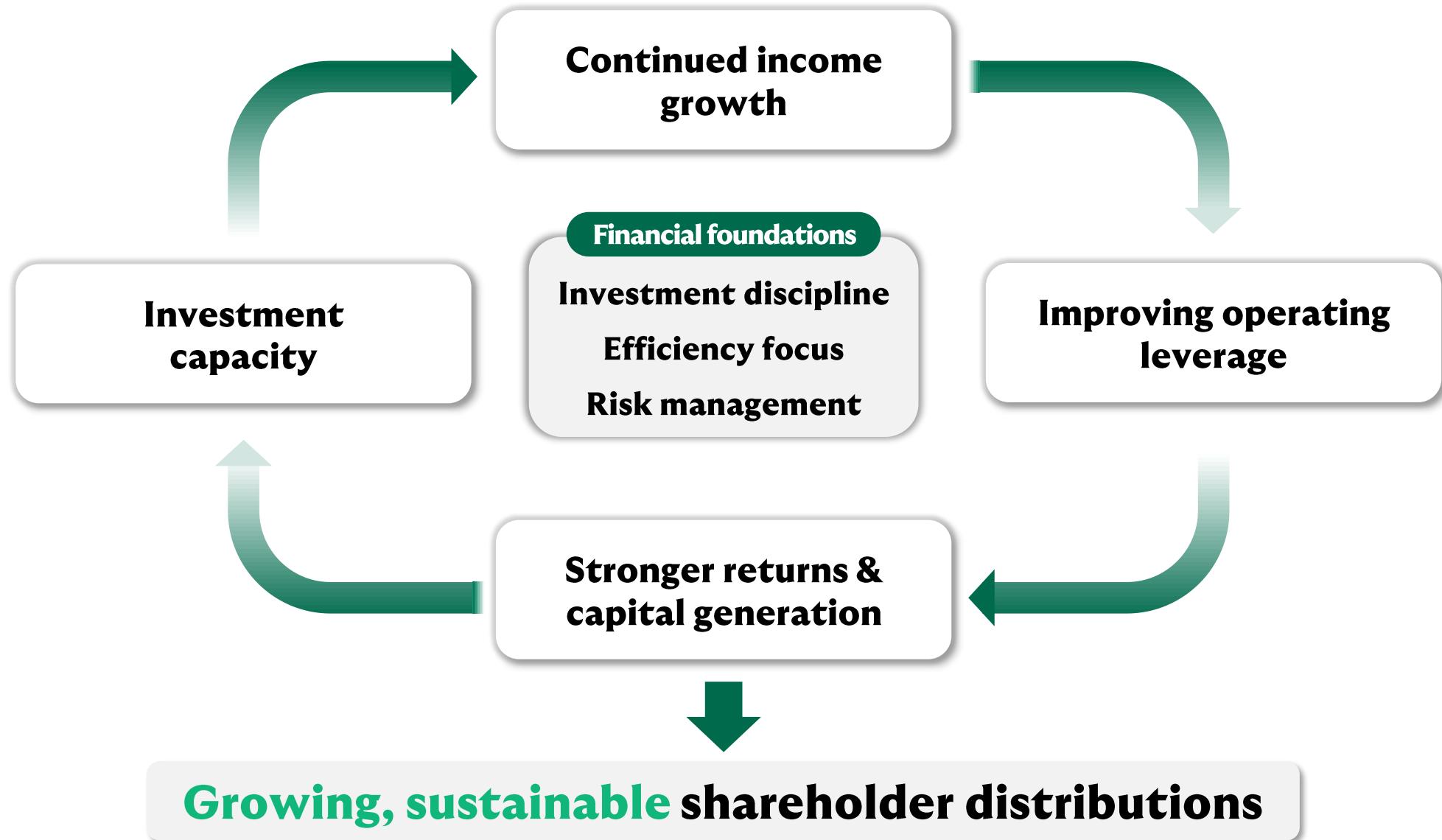


Accelerate

2030

Financial outlook

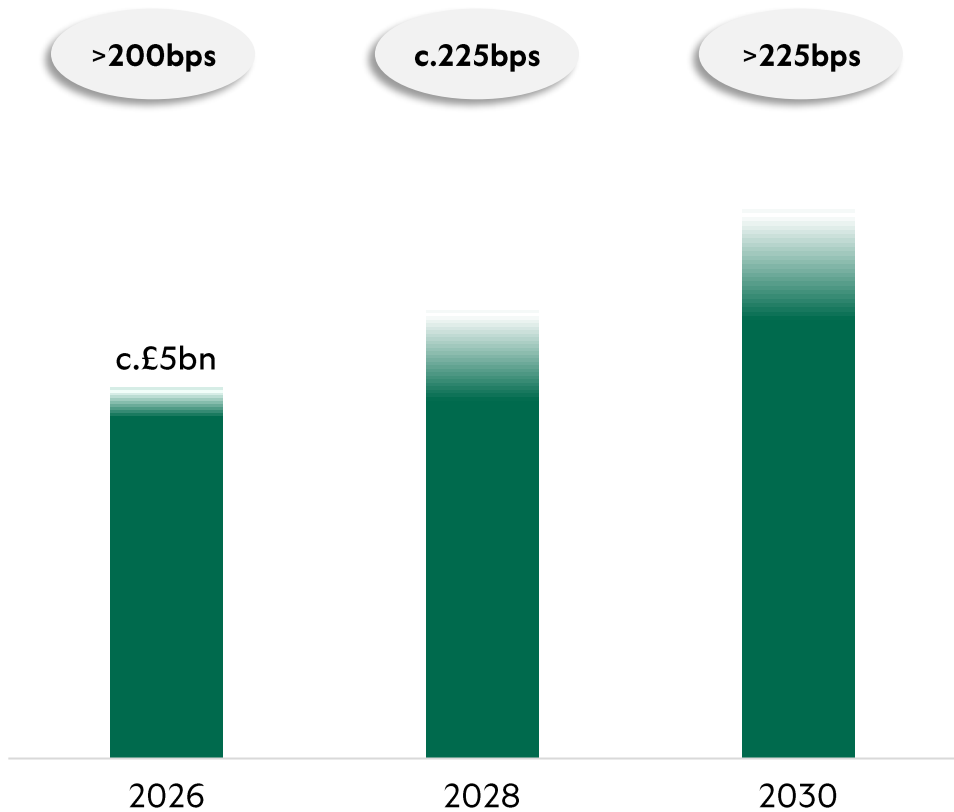
Robust financial framework: Long-term, sustainable value



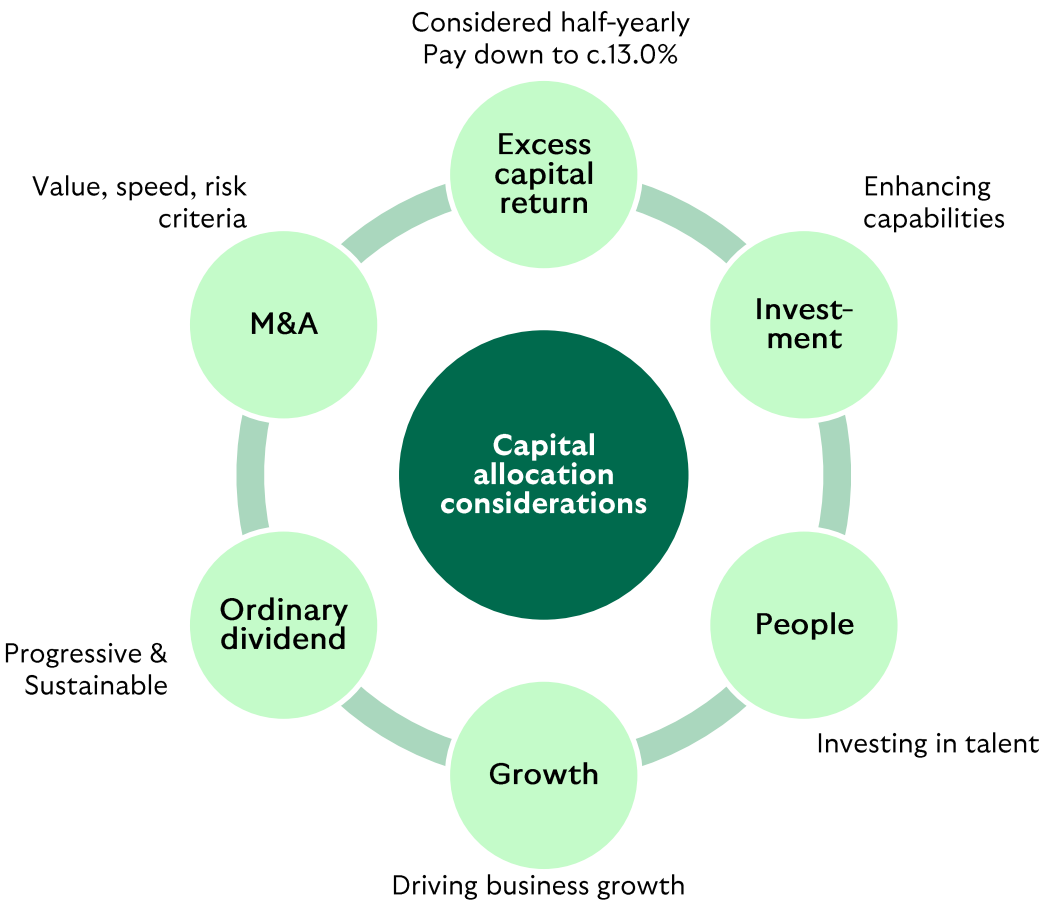
Growing capital generation, growing shareholder distributions

Growing absolute capital generation on increasing RWAs

Capital generation (£bn)



Targeted deployment to sustain growing distributions



>225bps capital generation in 2030

Guidance overview

2026

2027-2030

Annual guidance to be provided each year-end

Income

NII >£14.9bn

Mid-single-digit net income CAGR
High-single-digit OOI CAGR

Cost:income

<50% CIR (Operating costs <£9.9bn)

<**45%** CIR in 2030, with YoY reductions

Asset quality

c.25bps

25-30bps through the plan period

Return on Tangible Equity

>16%

c.20% in 2030
(>18% in 2028)

Capital generation

>200bps

>**225bps** in 2030

CET1 ratio target

c.13.0%

Capital distribution

Progressive & sustainable ordinary dividend
To consider excess capital distribution **half-yearly**

Q&A

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Full reference from Ipsos (slide 5)

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