A black horse is running through a lake, splashing water. The background features a valley with green hills and mountains under a blue sky with white clouds.

Investor meet Webinar

Lloyds Banking Group
25 March 2026



Welcome and introduction to LBG

Rohith Chandra-Rajan, Director – Investor Relations

Tom Grantham, Senior Manager - Investor Relations

Leading UK digital bank and integrated financial services provider



Lloyds Banking Group Plc

4 core divisions



Business units



Products

- | | | | | | |
|---|--|--|---|---|---|
| <ul style="list-style-type: none"> • Current accounts • Savings accounts • Mass affluent proposition | <ul style="list-style-type: none"> • Mortgages • Credit cards • Personal loans • Motor finance | <ul style="list-style-type: none"> • Business loans • Transactional banking • Working capital | <ul style="list-style-type: none"> • Lending and debt capital markets • Risk management • Cash Liquidity | <ul style="list-style-type: none"> • Home, motor and protection insurance • Pensions • Investments | <ul style="list-style-type: none"> • Mid-market private equity business • Homes for rent and shared ownership |
|---|--|--|---|---|---|

Our trusted brands



Continued strategic delivery; sustained strength in performance



Purpose

**Helping
Britain
Prosper**

Strategic delivery accelerating, benefitting customers and wider stakeholders

Sustained strength in financial performance, meeting 2025 guidance

Strong capital generation, enabling 15% dividend growth and £1.75bn buyback

Upgraded guidance for 2026; confident in our outlook beyond 2026



Financial Update

Sustained strength in financial performance

Financial performance (£m)

	FY 2025	FY 2024	YoY %	Q4 2025	vs Q3 2025 %
Net interest income	13,635	12,845	6	3,529	2
Other income	6,120	5,597	9	1,594	2
Operating lease depreciation	(1,454)	(1,325)	(10)	(379)	(4)
Net income	18,301	17,117	7	4,744	2
Operating costs	(9,761)	(9,442)	(3)	(2,585)	(12)
Remediation	(968)	(899)	(8)	(56)	94
Total costs incl. remediation	(10,729)	(10,341)	(4)	(2,641)	17
Underlying profit before impairment	7,572	6,776	12	2,103	44
Impairment charge	(795)	(433)	(84)	(177)	(1)
Underlying profit	6,777	6,343	7	1,926	49
Statutory profit after tax	4,757	4,477	6	1,435	84
Net interest margin	3.06%	2.95%	11bps	3.10%	4bps
Return on tangible equity	12.9%	12.3%	0.6pp	15.7%	8.2pp
Earnings per share	7.0p	6.3p	0.7p	2.2p	1.2p
TNAV per share	57.0p	52.4p	4.6p	57.0p	2.0p
Pro forma CET1 ratio	13.2%	13.5%	(0.3)pp	13.2%	(0.6)pp

- Statutory PAT £4.8bn, up 6% YoY
- RoTE 12.9% (14.8% excl. motor provision)
- Robust net income: £18.3bn, up 7% YoY
- Cost discipline: Operating costs £9.76bn, up 3% YoY

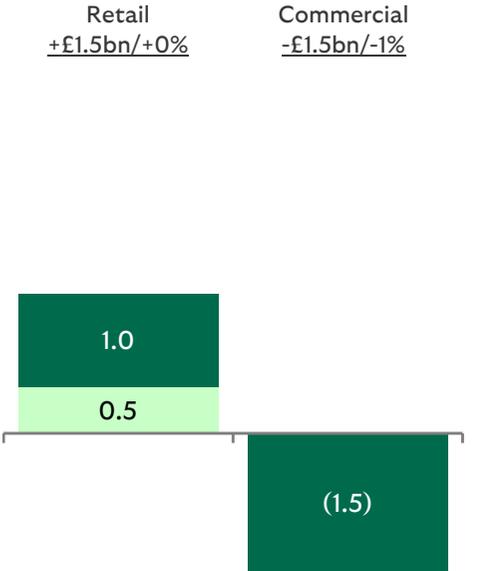
Strong lending and deposit growth



Q4 lending change (£bn)



Q4 deposit change (£bn)



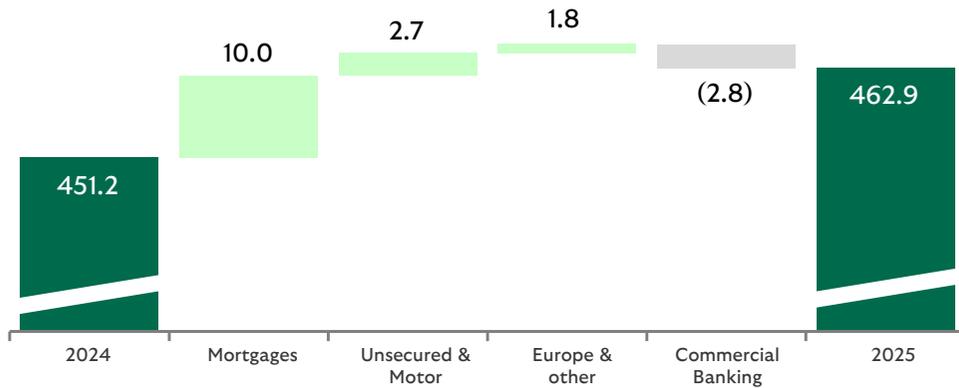
- Mortgages
- Credit cards
- Motor Finance
- Unsecured loans
- Europe and other¹
- Corporate and Institutional Banking (CIB)
- Business and Commercial Banking (BCB)
- Retail current a/c
- Retail savings²
- Commercial Banking deposits

1 - Includes Overdrafts, Europe and Wealth. 2 - Includes Retail savings and Wealth.

- Lending £481.1bn, up 5% in 2025, Q4 up £4.0bn
- Total deposits £496.5bn up 3% in 2025, Q4 down £0.2bn

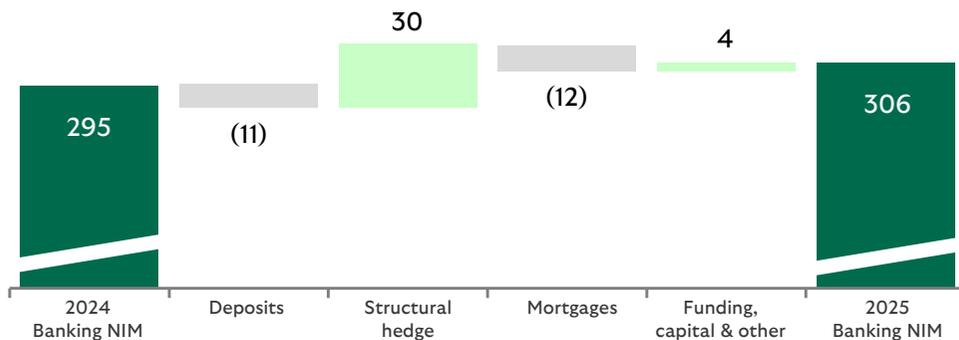
Sustained growth in net interest income

Average interest earning assets (£bn)



Banking net interest margin (bps)

Q3 '25 - Q4 '25	306	(2)	12	(3)	(3)	310
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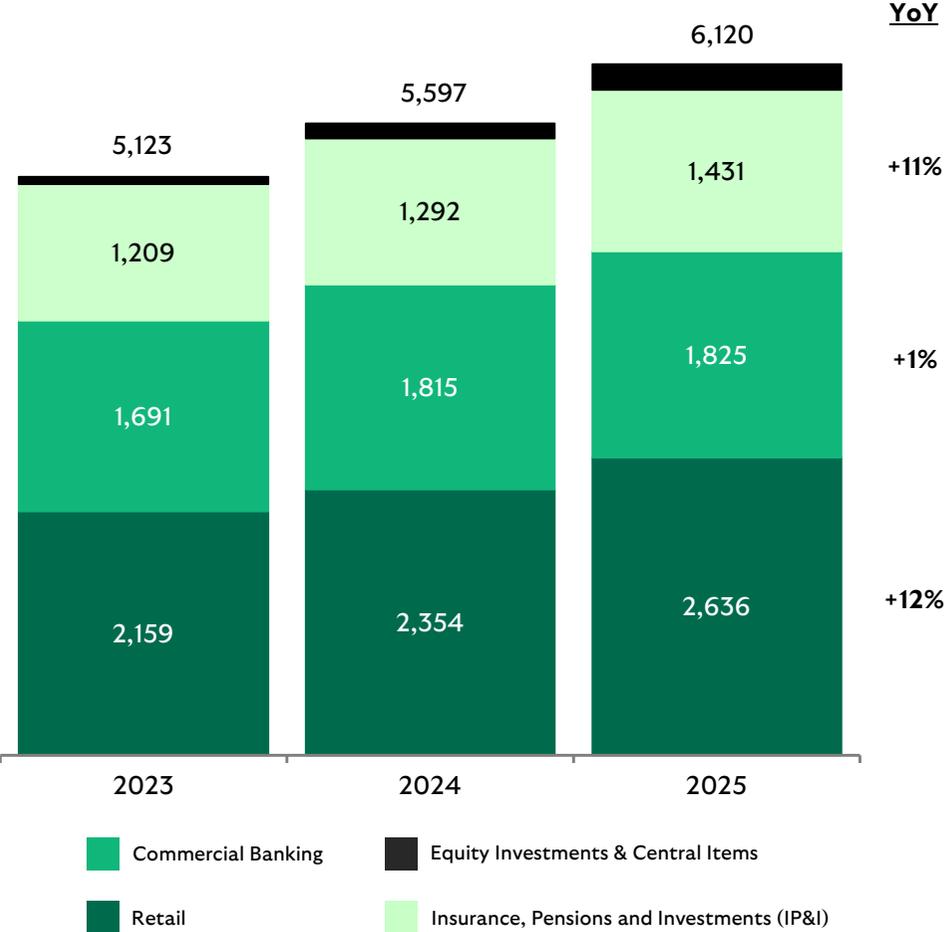


- 2025 NII £13.6bn, up 6% YoY, Q4 up 2%
- 2025 structural hedge earnings of £5.5bn, up £1.3bn YoY
 - Expect 2026 hedge income of c.£7.0bn, 2027 hedge income of c.£8.0bn
- 2025 NIM 306bps, up 11bps YoY
- 2026 NII expected to be c.£14.9bn

Momentum in other income



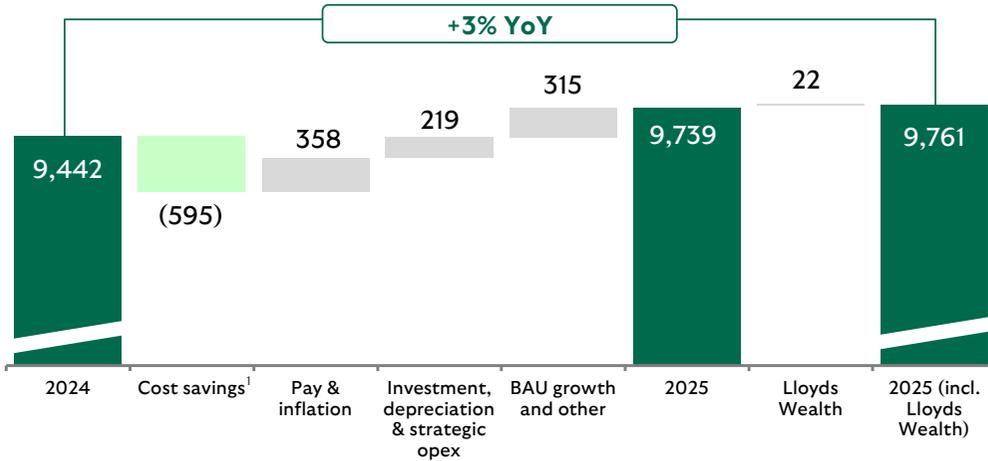
Divisional other income (£m)



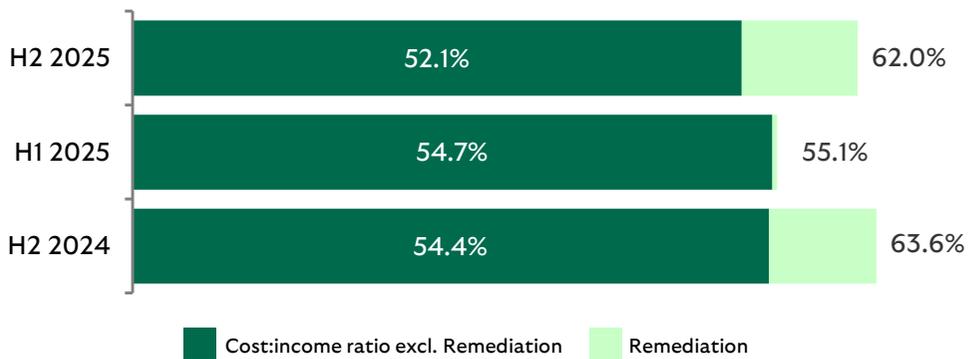
- OOI £6.1bn in 2025, up 9% YoY; Q4 up £37m / 2%
- Lloyds Wealth to support OOI growth in 2026

Continued discipline on costs

Operating costs (£m)



Cost:income ratio (%)



¹ - Does not include change savings.

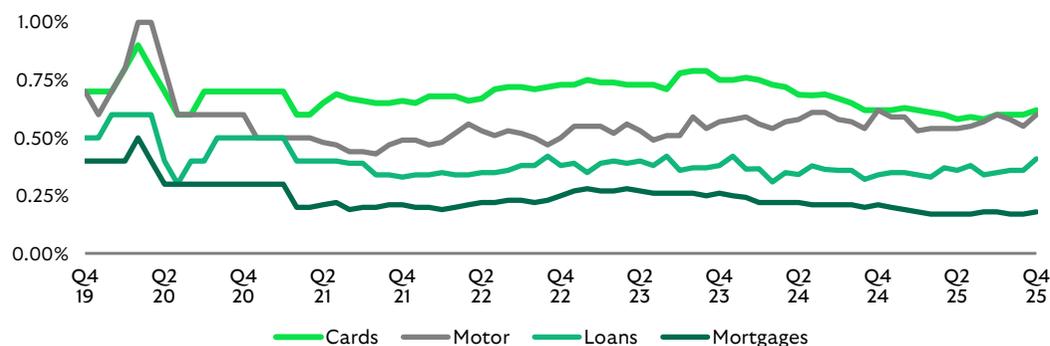
- 2025 operating costs £9,761m, up 3% YoY
- 2025 cost:income ratio 58.6%; 53.3% excl. remediation
- Continue to expect cost:income ratio <50% in 2026

Strong and stable credit performance

Impairment (£m)

	FY 2025	FY 2024	YoY £m	Q4 2025	QoQ £m
Charge (credit) pre updated MES ¹	721	827	(106)	130	(10)
<i>Retail</i>	734	789	(55)	107	(94)
<i>Commercial Banking</i>	(14)	48	(62)	22	83
<i>Other</i>	1	(10)	11	1	1
Updated economic outlook	74	(394)	468	47	11
<i>Retail</i>	-	(332)	332	42	-
<i>Commercial Banking</i>	74	(62)	136	5	11
Total impairment charge/(credit)	795	433	362	177	1

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

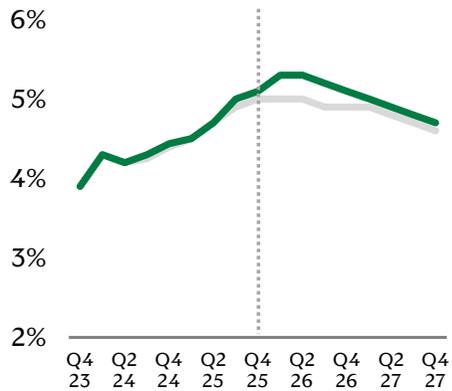


- Low 2025 impairment charge £795m, AQR 17bps
- Q4 impairment charge £177m, AQR 14bps
- Expect 2026 AQR to be c.25bps

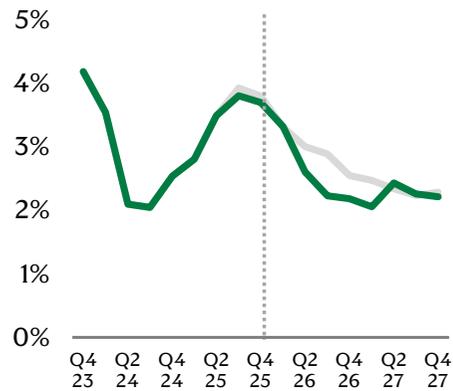
¹ - Impairment charges absent the impact from updated economic outlook, thus reflecting only observed movements in credit quality.

Macroeconomic outlook

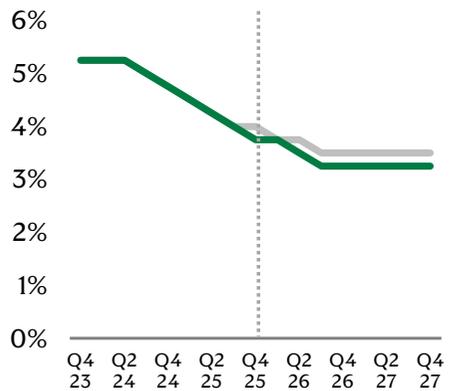
Unemployment



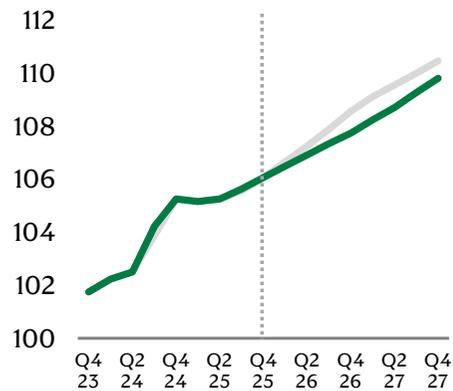
CPI inflation



UK Bank Rate



Indexed house prices



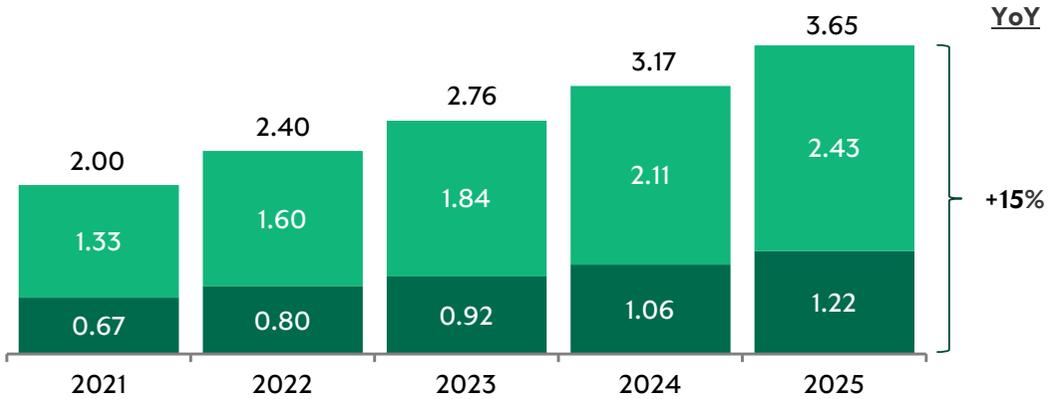
— Q4 base case

— Q3 base case

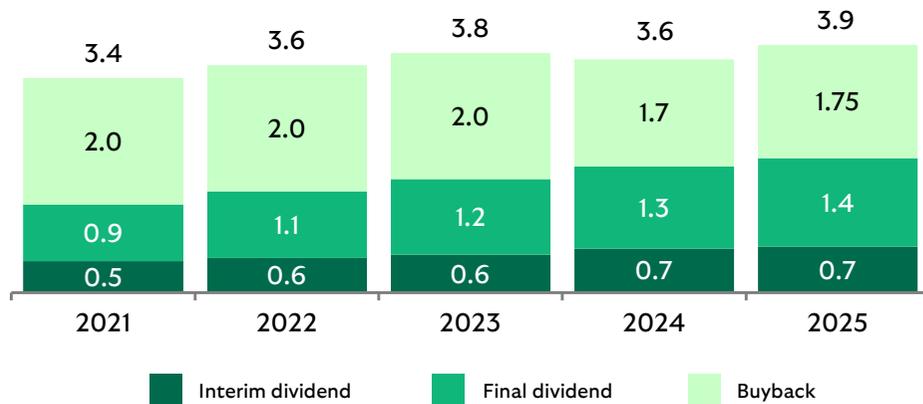
- **Economic results as at FY results, we review economic forecasts every quarter**
 - GDP expected to be 1.2% in 2026
 - Unemployment expected to peak at 5.3% in H1 2026
 - Assume two 25bps cuts in UK Bank Rate in 2026
 - House price growth forecast at c.2% in 2026 and 2027

Continued growth in capital distributions

Dividend per share (pence)



Total distributions¹ (£bn)



¹ – Announced in year. Chart uses rounded inputs.

- Final dividend 2.43p; total 3.65p, up c.15% YoY
- FY 2025 dividend up >80% vs. FY 2021
- Now review excess capital distributions every half year

Sustained strength in performance and upgraded guidance



Purpose
**Helping
Britain
Prosper**

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

Committed to continuing income growth, improving operating leverage and stronger, sustainable returns



Strategy Update

Strategic delivery accelerating

Significant transformation since 2021...

Grow

c.20%
Net income growth¹

>30%
OOI growth¹

Focus

c.45%
Distribution productivity improvement²

£24bn
Gross RWA optimisation

Change

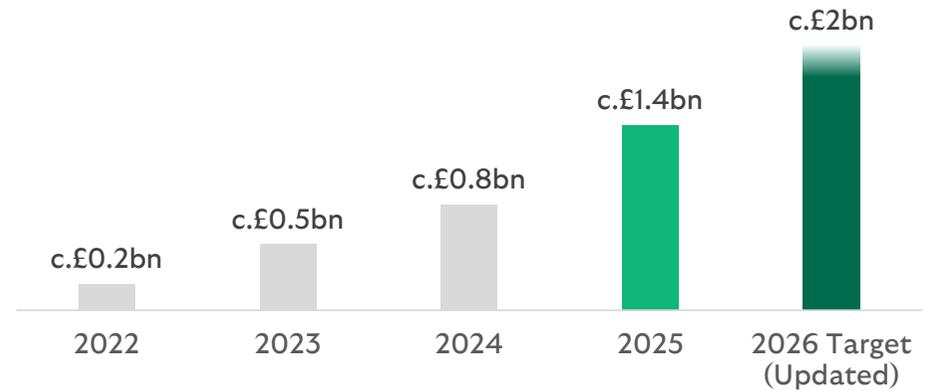
>50%
Applications on cloud

>50%
Annual mobile app logon growth

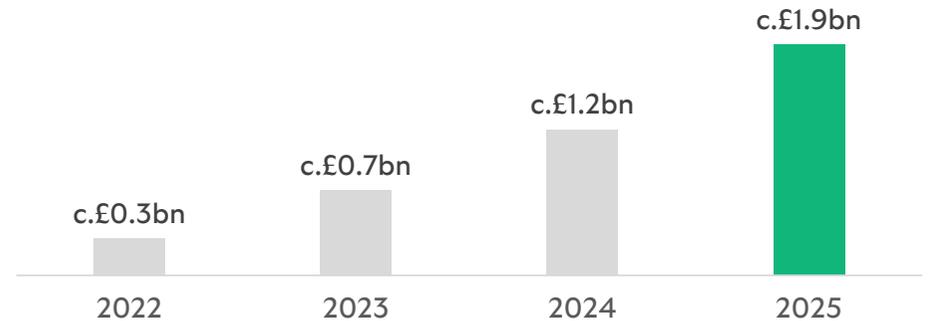
c.£15bn shareholder distributions since 2021

...with growing momentum over 2025 and 2026

Strategic initiative revenues



Gross cost savings since 2021



1 - Adjusted for IFRS17. 2 - Active customers served per distribution FTE.

Extending our Gen AI leadership position

c.50 live Gen AI use cases in 2025, generating c.£50m P&L benefit

Illustrative revenue and cost use cases and outcomes across domains

Customer interactions



Use case: Gen AI powered in-app search function
Outcome: Awarded 'Best AI use in Finance'

Customer operations



Use case: Complaints handling and automation
Outcome: Classification times reduced to 1 second (from c.5 mins)

Frontline/RM support



Use case: Knowledge mgmt. tool rolled out to c.30k colleagues
Outcome: c.66% average reduction in search times

Colleague assistants



Use case: HR assistant rolled out across the Group
Outcome: c.90% first-time query handling

Engineering support



Use case: c.5k Engineers leveraging GitHub Copilot for coding
Outcome: c.50% time improvement in legacy code conversion

Accelerating progress in 2026



Driving day-to-day productivity gains

Extending Copilot to >35k colleagues
 Rolling out AI Academy learning programme



Further scaling of use cases

Realising further benefits from existing use cases
 Significantly increasing number of new use cases



Unlocking Agentic opportunities

Prioritising scale Agentic use cases that span full breadth of the Group (e.g. fraud prevention)



Increasing customer roll-out

Targeting full customer roll-out of in-app agent
 Expanding agents to other products

>£100m revenue/cost benefits from GenAI in 2026; significant further opportunity beyond

Well positioned for 2026 and beyond

Reinforcing competitive advantage...

Market leader

#1 in key markets, enhancing growth as an integrated financial services provider

Cost and capital leader

Efficient scale model, building operating leverage
De-risked and optimised balance sheet

Digital and AI leader

Largest UK digital bank, leading across emerging technologies, reinforcing revenue & cost opportunity

...delivering strong shareholder outcomes 2026 guidance

<50%

Cost:income ratio

>16%

Return on Tangible equity

>200bps

Capital generation

Continued momentum beyond 2026



Further **strengthening** and **growing** the core franchise



Unlocking **new growth opportunities** and **diversification**



Driving continued improvements in **productivity**



Innovating and **leading** across **new & emerging technologies**

**Strategy update:
July 2026**

Committed to continuing income growth, improving operating leverage and stronger, sustainable returns



Q&A

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