Lloyds Bank Corporate Markets plc

2025 Year-End

Pillar 3 Disclosures

25 February 2026

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INTRODUCTION AND BASIS OF PREPARATION

This document presents the Pillar 3 disclosures of Lloyds Bank Corporate Markets plc ('the Bank') as at 31 December 2025.

Pillar 3 disclosure requirements are designed to promote market discipline through the provision of key information around capital, risk exposures and risk management.

Basis of Preparation

The disclosures have been prepared in accordance with the requirements of the Disclosure (CRR) section of the PRA Rulebook. Where specific 'Articles' are referenced these refer to the applicable requirement within the PRA Rulebook or the UK Capital Requirements Regulation ('UK CRR').

Where indicated, certain qualitative disclosure requirements have been met by cross reference to the equivalent disclosures located in the Lloyds Bank Corporate Markets plc Annual Report and Accounts 2025 or Lloyds Banking Group plc Annual Report and Accounts 2025 (the parent company). This document should therefore be read in conjunction with the Annual Reports. The documents are located in the Financial Downloads section of the Lloyds Banking Group plc website located at www.lloydsbankinggroup.com/investors/financial-downloads.

Article 432 on non-material, proprietary or confidential information permits institutions to omit one or more disclosures if the information provided by such a disclosure is not regarded as material. Appendix 1 includes a list of excluded templates and the reason for exclusion.

Where relevant, de minimis monetary amounts (<£0.5 million) are rounded down for reporting purposes and disclosed as a dash ('–') in the table.

The information presented in this Pillar 3 report is not required to be, and has not been, subjected to external audit.

Capital Instruments And Eligible Liabilities - Main Features Report (CRR Article 437(b))

A description of the main features of capital instruments issued by Lloyds Banking Group plc (the parent company) and its large subsidiaries (including Lloyds Bank Corporate Markets plc) are included in a separate document on the Lloyds Banking Group plc website located at www.lloydsbankinggroup.com/investors/financialdownloads.

The following template disclosed by Lloyds Banking Group plc does not fall under the scope of the large subsidiary disclosure requirements relevant to the Bank, but specifically relates to it:

- Template TLAC 2 (Total Loss Absorbing Capacity: Material sub-group entity - creditor ranking at the entity level) which details the creditor hierarchy and nominal values of instruments issued by the Bank.

The Lloyds Banking Group plc 2025 Year-End Pillar 3 Disclosures can be found on the Lloyds Banking Group plc website.

KEY METRICS AND OVERVIEW OF RISK WEIGHTED EXPOSURE AMOUNTS

KM1: Key Metrics[1]

KM1 Ref	LR2 Ref		**31 Dec 2025**	30 Jun 2025	31 Dec 2024
		Available own funds (amounts)			
1		Common Equity Tier 1 (CET1) capital (£m)	**3,085**	2,971	2,797
2		Tier 1 capital (£m)	**7,137**	6,950	3,580
3		Total capital (£m)	**7,137**	6,950	4,171
		Risk-weighted exposure amounts			
4		Total risk-weighted exposure amount (£m)	**22,442**	22,419	20,605
		Capital ratios (as a percentage of risk-weighted exposure amount)			
5		Common Equity Tier 1 ratio (%)	**13.7%**	13.3%	13.6%
6		Tier 1 ratio (%)	**31.8%**	31.0%	17.4%
7		Total capital ratio (%)	**31.8%**	31.0%	20.2%
		Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)			
UK 7a		Additional CET1 SREP requirements (%)	**2.3%**	2.4%	2.4%
UK 7b		Additional AT1 SREP requirements (%)	**0.7%**	0.8%	0.8%
UK 7c		Additional T2 SREP requirements (%)	**1.0%**	1.0%	1.0%
UK 7d		Total SREP own funds requirements (%)	**12.0%**	12.2%	12.2%
		Combined buffer requirement (as a percentage of risk-weighted exposure amount)			
8		Capital conservation buffer (%)	**2.5%**	2.5%	2.5%
9		Institution specific countercyclical capital buffer (%)	**0.8%**	0.9%	1.0%
11		Combined buffer requirement (%)	**3.3%**	3.4%	3.5%
UK 11a		Overall capital requirements (%)	**15.3%**	15.7%	15.7%
12		CET1 available after meeting minimum SREP own funds requirements (%)[2]	**7.0%**	6.4%	6.7%
		Leverage ratio			
13	UK-24b	Total exposure measure excluding claims on central banks (£m)	**84,702**	84,779	79,612
14	25	Leverage ratio excluding claims on central banks (%)	**8.4%**	8.2%	4.5%
		Additional leverage ratio disclosure requirements			
UK 14a	UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	**8.4%**	8.2%	4.5%
UK 14b	UK-25c	Leverage ratio including claims on central banks (%)	**6.9%**	6.7%	3.6%
UK 14c	UK-34	Average leverage ratio excluding claims on central banks (%)[3]	**8.1%**	5.7%	4.4%
UK 14d	UK-33	Average leverage ratio including claims on central banks (%)[3]	**6.6%**	4.6%	3.5%
	UK-31	Average total exposure measure including claims on central banks[3]	**108,537**	104,275	101,559
	UK-32	Average total exposure measure excluding claims on central banks[3]	**88,057**	84,107	81,359
	27	Leverage ratio buffer (%)[4]	**0.3%**	0.3%	0.3%
UK 14e	UK-27b	Of which: countercyclical leverage ratio buffer (%)	**0.3%**	0.3%	0.3%
		Average Liquidity Coverage Ratio (weighted) (LCR)[5]			
15		Total high-quality liquid assets (HQLA) (Weighted value -average) (£m)	**26,830**	26,353	26,839
UK 16a		Cash outflows - Total weighted value - average (£m)	**24,667**	24,965	26,051
UK 16b		Cash inflows - Total weighted value - average (£m)	**8,734**	9,112	10,042
16		Total net cash outflows (adjusted value - average) (£m)	**15,933**	15,853	16,009
17		Average liquidity coverage ratio (%)	**169%**	167%	168%
		Average Net Stable Funding Ratio[6]			
18		Total available stable funding (Weighted value - average) (£m)	**31,298**	28,701	26,344
19		Total required stable funding (Weighted value - average) (£m)	**23,500**	21,695	19,111
20		Average NSFR ratio (%)	**133%**	132%	138%

1 Includes extracts of LR2 (Leverage ratio common disclosure) that are required to be disclosed quarterly.
2 Represents, as a percentage, the level of CET1 capital left available to meet buffer requirements after subtracting the minimum amount of CET1 capital required to meet total Pillar 1 plus Pillar 2A capital requirements, also referred to as total SREP own funds requirements. The minimum CET1 requirement is equivalent to 4.5% (Pillar 1) plus the additional CET1 SREP requirement (56.25% of Pillar 2A).
3 The average UK leverage ratio is based on the average of the month end tier 1 capital position and average exposure measure over the quarter.
4 The additional leverage ratio buffer (ALRB) does not apply for the Bank.
5 The liquidity balances are calculated as the simple average of month end observations over the previous 12 months
6 The net stable funding balances are calculated as the simple average of month end observations over the previous 4 quarters.

KEY METRICS AND OVERVIEW OF RISK WEIGHTED EXPOSURE AMOUNTS (Continued)

Common Equity Tier 1

The Bank's common equity tier 1 (CET1) capital ratio increased to 13.7% at 31 December 2025 (31 December 2024: 13.6%). Profit for the year was partly offset by the inclusion of a foreseeable ordinary dividend, distributions on other equity instruments and an increase in risk-weighted assets.

Total Capital

The Bank's total capital ratio increased to 31.8% at 31 December 2025 (31 December 2024: 20.2%), primarily reflecting the increase in CET1 capital and the outcome of a regulatory capital restructuring exercise that involved the issuance of new additional tier 1 capital instruments and the repayment in full of tier 2 capital instruments as an enabler for the next stage of growth for the business. This was partially offset by the increase in risk-weighted assets.

Risk-Weighted Assets

Risk-weighted assets increased by £1,837 million to £22,442 million at 31 December 2025 (31 December 2024: £20,605 million), reflecting an increase in credit risk, as a result of lending growth, and an increase in market risk.

Leverage

The Bank's UK leverage ratio increased to 8.4% at 31 December 2025 (31 December 2024: 4.5%). This reflects the increase in CET1 capital and the increase in additional tier 1 capital following the regulatory capital restructuring exercise. This was partly offset by an increase in the leverage exposure measure, reflecting lending growth in addition to increases in reverse repurchase agreements and off-balance sheet items.

Funding and Liquidity

The Bank's average liquidity coverage ratio (LCR) increased to 169% at 31 December 2025 (31 December 2024: 168%). The increase of 1 percentage point was primarily due to a decrease in net cash outflows from a reduction in outflows related to derivative exposures arising from historic market volatility.

The Bank's average net stable funding ratio (NSFR) reduced to 133% at 31 December 2025 (31 December 2024: 138%). The decrease of 5 percentage points was due to an increase in requirements for customer lending and securities financing transactions, partially offset by growth in customer commercial deposits.

KEY METRICS AND OVERVIEW OF RISK WEIGHTED EXPOSURE AMOUNTS (Continued)

OV1: Overview of risk weighted exposure amounts

		Total RWA		Total own funds requirements
		31 Dec 2025	31 Dec 2024	**31 Dec 2025**
		£m	£m	**£m**
1	**Credit risk (excluding CCR)**	**11,261**	9,582	**901**
2	Of which the standardised approach	**1,181**	1,190	**94**
3	Of which the foundation IRB (FIRB) approach	**9,318**	7,610	**746**
4	Of which slotting approach	**326**	272	**26**
UK 4a	Of which equities under the simple risk weighted approach	**359**	419	**29**
	Of which: non-credit obligation assets[1]	**77**	91	**6**
6	**Counterparty credit risk (CCR)**	**5,675**	5,828	**454**
7	Of which the standardised approach	**5,053**	5,189	**404**
UK 8a	Of which exposures to a CCP	**76**	72	**6**
UK 8b	Of which credit valuation adjustment (CVA)	**228**	243	**18**
9	Of which other CCR	**318**	324	**26**
16	**Securitisation exposures in the non-trading book (after the cap)**	**541**	531	**43**
18	Of which SEC-ERBA approach (including IAA)	**147**	149	**12**
19	Of which SEC-SA approach	**394**	382	**31**
20	**Position, foreign exchange and commodities risks (Market risk)**	**3,667**	3,422	**293**
21	Of which the standardised approach	**430**	416	**34**
22	Of which IMA	**3,237**	3,006	**259**
23	**Operational risk**	**1,298**	1,242	**104**
UK 23b	Of which standardised approach	**1,298**	1,242	**104**
24	Memo: Amounts below the thresholds for deduction (subject to 250% risk weight)	**398**	458	**32**
29	**Total**	**22,442**	20,605	**1,795**
	Pillar 2A capital requirement[2]			**886**
	Total capital requirement			**2,681**

1 Non-credit obligation assets (IRB approach) includes other balance sheet assets that have no associated credit risk.
2 Following a PRA update in the third quarter, the Bank's Pillar 2A capital requirement has reduced to around 4.0% of risk-weighted assets, of which around 2.3% is to be met with CET1 capital.

Risk-weighted assets increased by £1,837 million to £22,442 million at 31 December 2025 (31 December 2024: £20,605 million). This largely reflected:

Credit Risk: RWAs increased by £1,679 million to £11,261 million principally due to an increase in lending.

Market Risk: RWAs increased by £245 million to £3,667 million mainly driven by portfolio evolution.

KEY METRICS AND OVERVIEW OF RISK WEIGHTED EXPOSURE AMOUNTS (Continued)

CR8: RWA flow statements of credit risk exposures under the IRB approach

The table below summarises the movements of risk-weighted assets for credit risk exposures under the Internal Ratings Based (IRB) Approach. The table excludes counterparty credit risk exposures, securitisation exposures and other non-credit obligation assets.

		Total RWA quarter to 31 Dec 2025	Total RWA YTD 31 Dec 2025
		£m	£m
1	Risk weighted exposure amount as at the end of previous reporting period	9,340	7,882
2	Asset size (+/-)	307	2,139
3	Asset quality (+/-)	53	(71)
5	Methodology and policy (+/-)	—	130
7	Foreign exchange movements (+/-)	(56)	(436)
9	**Risk weighted exposure amount as at the end of the reporting period**	**9,644**	**9,644**

Key movements 30 September 2025 to 31 December 2025:
- Asset size increase largely driven by lending growth.

Key movements 31 December 2024 to 31 December 2025:
- Asset size increase largely driven by lending growth.
- Foreign exchange movements are principally driven by movement in the US Dollar.

KEY METRICS AND OVERVIEW OF RISK WEIGHTED EXPOSURE AMOUNTS (Continued)

MR2-B: RWA flow statements of market risk exposures under the Internal Model Approach

The table below summarises the movements of risk-weighted assets for market risk exposures under the Internal Model Approach (IMA).

		Total RWA quarter to 31 Dec 2025					
		VaR	**SVaR**	**IRC**	**Other**	**Total RWA**	**funds requirements**
		£m	**£m**	**£m**	**£m**	**£m**	**£m**
1	**RWAs at 30 September 2025**	**422**	**1,500**	**739**	**1,172**	**3,832**	**307**
1a	Regulatory adjustment	**(233)**	**(981)**	**—**	**—**	**(1,214)**	**(98)**
1b	RWAs at the previous quarter-end (end of the day)[1]	**189**	**519**	**739**	**1,172**	**2,618**	**209**
2	Movement in risk levels	**(101)**	**(135)**	**(425)**	**(283)**	**(943)**	**(75)**
3	Model updates/changes	**—**	**—**	**—**	**9**	**9**	**1**
7	Other	**—**	**—**	**—**	**(161)**	**(161)**	**(13)**
8a	RWAs at end of the disclosure period (end of the day)[1]	**88**	**384**	**314**	**737**	**1,523**	**122**
8b	Regulatory adjustment	**325**	**1,158**	**231**	**—**	**1,714**	**137**
8	**RWAs at 31 December 2025**	**413**	**1,542**	**545**	**737**	**3,237**	**259**

		Total RWA YTD to 31 Dec 2025					
		VaR	**SVaR**	**IRC**	**Other**	**Total RWA**	**funds requirements**
		£m	**£m**	**£m**	**£m**	**£m**	**£m**
1	**RWAs at 31 December 2024**	**572**	**1,077**	**426**	**931**	**3,006**	**240**
1a	Regulatory adjustment	**(264)**	**(777)**	**(140)**	**—**	**(1,181)**	**(94)**
1b	RWAs at end of day[1]	**308**	**300**	**286**	**931**	**1,825**	**146**
2	Movement in risk levels	**(220)**	**84**	**28**	**(64)**	**(172)**	**(13)**
3	Model updates/changes	**—**	**—**	**—**	**(23)**	**(23)**	**(2)**
7	Other	**—**	**—**	**—**	**(107)**	**(107)**	**(9)**
8a	RWAs at end of day[1]	**88**	**384**	**314**	**737**	**1,523**	**122**
8b	Regulatory adjustment	**325**	**1,158**	**231**	**—**	**1,714**	**137**
8	**RWAs at 31 December 2025**	**413**	**1,542**	**545**	**737**	**3,237**	**259**

1 End of day represents spot position.

Key movements 30 September 2025 to 31 December 2025:
- Decrease in IRC RWA driven by portfolio evolution.
- Decrease in 'Other' RWA due to the removal of RWA add-ons.

Key movements 31 December 2024 to 31 December 2025:
- Moves in VaR, SVaR and IRC RWAs driven by portfolio evolution.
- Decrease in 'Other' RWA largely due to the removal of RWA add-ons.

INDIVIDUAL CAPITAL REQUIREMENT (OVC)

Pillar 1 of the regulatory framework focuses on the determination of risk weighted assets and expected losses in respect of the firm's exposure to credit, counterparty credit, market and operational risks.

The minimum amount of total capital, under Pillar 1 of the regulatory capital framework, is set at 8% of total risk-weighted assets. At least 4.5% of risk-weighted assets are required to be met with CET1 capital and at least 6% of risk-weighted assets are required to be met with tier 1 capital.

A range of approaches, varying in sophistication, are available under the regulatory framework to use in measuring risk-weighted assets and expected loss amounts, thereby determining the minimum level of capital required under Pillar 1. The Bank's risk-weighted assets are predominantly calculated using internal models that are prudently calibrated based on loss experience and are subject to a number of internal controls and external approval from the PRA.

The PRA sets an additional minimum capital requirement under Pillar 2A. This reflects a point in time estimate of the amount of capital required to cover risks that are not fully covered by Pillar 1, such as concentration risk and operational risk, and those risks not covered at all by Pillar 1, such as interest rate risk in the banking book (IRRBB).

Pillar 2A capital requirements consist of a variable amount (being a set percentage of risk-weighted assets), with fixed add-ons for certain risk types.

A key input into the PRA's Pillar 2A setting process is a bank's own assessment of the minimum amount of capital it needs to cover risks that are not covered or not fully covered by Pillar 1 as part of its Internal Capital Adequacy Assessment Process (ICAAP).

Some of the key risks assessed within the Pillar 2A assessment part of the Bank's ICAAP include:

- Concentration risk – greater loss volatility arising from a higher level of loan default correlation than is assumed by the Pillar 1 assessment. Such correlation includes geographic, industry sector and single name concentrations.
- Underestimation risk – where it is considered that the Pillar 1 capital assessments for credit, market, credit valuation adjustment (CVA) or operational risk underestimate the risk, including as a result of climate change related considerations. The operational risk assessment includes consideration of conduct risk.
- Interest rate risk in the banking book – the potential losses in the non-trading book resulting from interest rate changes or changes in spreads between different rates.

The detailed ICAAP document is subject to a robust review process, approved by the Board and submitted to the PRA annually for their consideration ahead of setting the Bank's P2A requirement.

The Bank is not permitted by the PRA to disclose any details on the individual components of its Pillar 2A capital requirement.

OWN FUNDS

CC1: Composition of regulatory own funds

		31 Dec 2025 £m	31 Dec 2024 £m	CC2 Reference
Common Equity Tier 1 (CET1) capital: instruments and reserves				
1	Capital instruments and the related share premium accounts	**370**	370	
	of which: called up share capital	**370**	370	a
2	Retained earnings	**3,174**	2,885	c
3	Accumulated other comprehensive income (and other reserves)	**(131)**	(236)	c
UK-5a	Independently reviewed interim profits net of any foreseeable charge or dividend[1]	**(50)**	—	
	of which: foreseeable dividend	**(50)**	—	
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**3,363**	3,019	
Common Equity Tier 1 (CET1) capital: regulatory adjustments				
7	Additional value adjustments	**(127)**	(130)	
8	Intangible assets (net of related tax liability)	**(3)**	(4)	e
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	**91**	219	
12	Negative amounts resulting from the calculation of expected loss amounts	**(208)**	(279)	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	**(31)**	(28)	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**(278)**	(222)	
29	**Common Equity Tier 1 (CET1) capital**	**3,085**	2,797	
Additional Tier 1 (AT1) capital: instruments				
30	Capital instruments and the related share premium accounts	**4,145**	783	
31	of which: classified as equity under applicable accounting standards	**4,145**	783	b
Additional Tier 1 (AT1) capital: regulatory adjustments				
42	Qualifying T2 deductions that exceed the T2 items of the institution	**(93)**	—	
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	**(93)**	—	
44	**Additional Tier 1 (AT1) capital**	**4,052**	783	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**7,137**	3,580	
Tier 2 (T2) capital: instruments				
46	Capital instruments and the related share premium accounts	—	691	d
51	**Tier 2 (T2) capital before regulatory adjustments**	—	691	
Tier 2 (T2) capital: regulatory adjustments				
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions)	—	(100)	
57	**Total regulatory adjustments to Tier 2 (T2) capital**	—	(100)	
58	**Tier 2 (T2) capital**	—	591	
59	**Total capital**	**7,137**	4,171	
60	**Total risk exposure amount**	**22,442**	20,605	
Capital ratios and buffers				
61	**Common Equity Tier 1 (as a percentage of total risk exposure amount)**	**13.7%**	13.6%	
62	**Tier 1 (as a percentage of total risk exposure amount)**	**31.8%**	17.4%	
63	**Total capital (as a percentage of total risk exposure amount)**	**31.8%**	20.2%	
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	**10.1%**	10.4%	
65	of which: capital conservation buffer requirement	**2.5%**	2.5%	
66	of which: countercyclical buffer requirement	**0.8%**	1.0%	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	**7.0%**	6.7%	
Amounts below the thresholds for deduction (before risk weighting)				
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	**126**	34	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	**143**	168	
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	**16**	16	
Applicable caps on the inclusion of provisions in Tier 2				
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	**87**	78	

[1] The reported amount for 31 December 2025 through row UK-5a reflects the year end foreseeable dividend only as the externally audited profits for the year to 31 December 2025 are included in row 2 (Retained earnings).

OWN FUNDS (Continued)

CC2: Reconciliation of regulatory own funds to the balance sheet in the financial statements

The following table presents the Bank's accounting balance sheet as at 31 December 2025 which forms the basis for the calculation of the Bank's regulatory own funds as presented in table CC1. There is no difference between the Bank's accounting and regulatory balance sheets.

		Bank balance sheet at 31 Dec 2025 £m	Reference[1]
Assets			
1	Cash and balances at central banks	**18,941**	
2	Financial assets at fair value through profit or loss	**25,855**	
3	Derivative financial instruments	**18,314**	
4	Loans and advances to banks	**1,006**	
5	Loans and advances to customers	**19,504**	
6	Reverse repurchase agreements	**7,024**	
7	Debt Securities	**379**	
8	Due from fellow Lloyds Banking Group undertakings	**641**	
9	Financial assets at amortised cost	**28,554**	
11	Property, plant and equipment	**27**	
12	Other intangible assets	**3**	e
13	Current tax recoverable	**9**	
14	Deferred tax assets	**51**	
15	Investment in subsidiary undertakings	**143**	
16	Other assets	**836**	
17	**Total assets**	**92,733**	
Liabilities			
1	Deposits from banks	**2,214**	
2	Customer deposits	**31,246**	
3	Repurchase agreements at amortised cost	**1,002**	
4	Due to fellow Lloyds Banking Group undertakings	**603**	
5	Financial liabilities at fair value through profit or loss	**24,182**	
6	Derivative financial instruments	**12,432**	
7	Debt securities in issue	**12,583**	
8	Current tax liabilities	**18**	
9	Other provisions	**10**	
10	Other liabilities	**885**	
11	Subordinated liabilities	—	d
12	**Total liabilities**	**85,175**	
Shareholders' equity			
1	Called up share capital	**370**	
2	of which: share capital	**370**	a
3	Other equity instruments	**4,145**	b
4	Retained earnings, accumulated other comprehensive income and other reserves	**3,043**	c
5	**Total equity excluding non-controlling interests**	**7,558**	
6	Non-controlling interests	—	
7	**Total equity**	**7,558**	
8	**Total equity and liabilities**	**92,733**	

1 The references (a) to (e) identify regulatory balance sheet components that link initially to items disclosed in table CC1, prior to the application of regulatory definitions and adjustments per the rules for calculating own funds.

OWN FUNDS (Continued)

CCyB1: Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

	31 Dec 2025												
	General credit exposures[2,3]		Relevant credit exposures - Market risk[2]		Securitisation exposures[3]		Own fund requirements - relevant credit exposures						
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Exposure value for non-trading book	Total exposure value	Credit risk[2,3]	Market risk[2]	Securitisation positions in the non-trading book[3]	Total	Risk-weighted exposure amounts	Own fund requirements weights	Countercyclical buffer rate
Breakdown by Country	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	%
United Kingdom	796	11,999	121	63	1,723	14,702	434	19	33	486	6,079	37.27	2.00
Australia	8	—	—	—	—	8	1	—	—	1	7	0.04	1.00
Belgium	8	1	—	—	—	9	1	—	—	1	9	0.05	1.00
Cyprus	20	—	—	—	—	20	2	—	—	2	20	0.12	1.00
France	26	34	37	19	—	116	7	6	—	13	156	0.95	1.00
Germany	15	18	25	13	133	204	1	4	6	11	128	0.79	0.75
Hong Kong	—	9	—	—	—	9	—	—	—	—	4	0.03	0.50
Ireland	20	204	—	—	—	224	5	—	—	5	60	0.37	1.50
South Korea	—	260	—	—	—	260	7	—	—	7	93	0.57	1.00
Luxembourg	5	5,409	7	4	367	5,792	115	1	—	116	1,452	8.90	0.50
Netherlands	159	119	—	—	—	278	13	—	—	13	165	1.01	2.00
Spain	101	14	—	—	—	115	9	—	—	9	109	0.67	0.50
i) Total[1]	1,158	18,067	190	99	2,223	21,737	595	30	39	664	8,282	50.74	
United States of America	317	12,287	116	61	377	13,158	369	18	5	392	4,899	30.03	
Jersey	694	1,134	—	—	—	1,828	72	—	—	72	901	5.53	
Guernsey	755	2,399	—	—	—	3,154	76	—	—	76	954	5.85	
Bermuda	128	1,383	—	—	—	1,511	38	—	—	38	471	2.89	
Cayman Islands	22	659	—	—	—	681	14	—	—	14	175	1.07	
Isle of Man	375	97	—	—	—	472	17	—	—	17	211	1.29	
ii) Total[1]	2,291	17,959	116	61	377	20,804	586	18	5	609	7,611	46.66	
iii) Rest of the World[1]	88	477	76	41	—	682	21	11	—	32	417	2.60	
Total	3,537	36,503	382	201	2,600	43,223	1,202	59	44	1,305	16,310	100.00	

OWN FUNDS (Continued)

CCyB1: Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer (Continued)

	31 Dec 2024													
	General credit exposures[2,3]		Relevant credit exposures - Market risk[2]		Securitisation exposures[3]		Own fund requirements						
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Exposure value for non-trading book	Total exposure value	Credit risk[2,3]	Market risk[2]	Securitisation positions in the non-trading book[3]	Total	Risk-weighted exposure amounts	Own fund requirements weights	Countercyclical buffer rate
Breakdown by Country	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	%
United Kingdom	833	13,146	17	25	1,998	16,019	489	9	35	533	6,667	45.30 %	2.00 %
Belgium	2	2	—	—	—	4	—	—	—	—	2	0.02 %	1.00 %
Cyprus	29	—	—	—	—	29	2	—	—	2	29	0.20 %	1.00 %
Czech Republic	17	—	—	—	—	17	1	—	—	1	17	0.12 %	1.25 %
Denmark	—	—	—	1	—	1	—	—	—	—	3	0.02 %	2.50 %
France	174	29	4	6	—	213	15	2	—	17	206	1.40 %	1.00 %
Germany	—	106	31	45	127	309	1	16	1	18	230	1.56 %	0.75 %
Hong Kong	—	11	—	—	—	11	—	—	—	—	6	0.04 %	0.50 %
Ireland	6	78	2	4	—	90	2	1	—	3	40	0.27 %	1.50 %
South Korea	—	272	—	—	—	272	9	—	—	9	117	0.79 %	1.00 %
Luxembourg	6	3,765	—	1	140	3,912	75	—	1	76	949	6.45 %	0.50 %
Netherlands	34	187	—	—	—	221	6	—	—	6	75	0.51 %	2.00 %
Sweden	—	—	4	6	—	10	—	2	—	2	28	0.19 %	2.00 %
i) Total[1]	1,101	17,596	58	88	2,265	21,108	600	30	37	667	8,369	56.85 %	
United States of America	453	10,250	27	39	404	11,173	300	14	5	319	3,992	27.12 %	
Jersey	719	734	—	—	—	1,453	60	—	—	60	753	5.12 %	
Guernsey	708	1,996	—	—	—	2,704	61	—	—	61	757	5.14 %	
Bermuda	15	1,493	—	—	—	1,508	23	—	—	23	288	1.96 %	
Cayman Islands	27	578	—	—	—	605	14	—	—	14	173	1.18 %	
Isle of Man	354	51	—	—	—	405	13	—	—	13	167	1.14 %	
ii) Total[1]	2,276	15,102	27	39	404	17,848	471	14	5	490	6,130	41.66 %	
iii) Rest of the World[1]	88	221	11	10	—	330	15	5	—	20	218	1.49 %	
Total	3,465	32,919	96	137	2,669	39,286	1,086	49	42	1,177	14,717	100.00 %	

1 The breakdown by country is disclosed on the following basis:
- i those countries for which a countercyclical capital buffer rate has been set and the Bank holds applicable exposures.
- ii those countries for which a countercyclical capital buffer rate has not been set and have an own funds requirement weighting of greater than or equal to one per cent, the threshold having been determined by the Bank in accordance with guidelines on materiality for Pillar 3.
- iii the aggregate of all remaining countries for which a countercyclical buffer rate has not been set and individually have an own funds requirement weighting of less than one per cent.

2 For the purposes of the calculation of the countercyclical capital buffer, general credit risk and trading book exposures exclude exposures to central governments, central banks, regional governments, local authorities, public sector entities, multilateral development banks, international organisations and institutions. In addition, trading book exposures are limited to those that are subject to the own funds requirement for specific risk or incremental default and migration risk (IRC).

3 General credit and securitisation exposures include counterparty credit risk and are stated on a post CRM basis.

OWN FUNDS (Continued)

CCyB2: Amount of institution-specific countercyclical capital buffer

		31 Dec 2025	31 Dec 2024
1	Total risk exposure amount	**£22,442m**	£20,605m
2	Institution specific countercyclical capital buffer rate	**0.84%**	0.99%
3	Institution specific countercyclical capital buffer requirement	**£189m**	£205m

LEVERAGE

LR2: Leverage ratio common disclosure

		31 Dec 2025 £m	31 Dec 2024 £m
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	**45,078**	45,688
3	Deductions of receivables assets for cash variation margin provided in derivatives transactions	**(1,454)**	(1,628)
6	Asset amounts deducted in determining tier 1 capital (leverage)	**(232)**	(297)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	**43,392**	43,763
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	**10,938**	11,812
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	**10,002**	8,675
11	Adjusted effective notional amount of written credit derivatives	**125**	457
12	Adjusted effective notional offsets and add-on deductions for written credit derivatives	**(46)**	(334)
13	Total derivatives exposures	**21,019**	20,610
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	**50,087**	41,011
15	Netted amounts of cash payables and cash receivables of gross SFT assets	**(22,083)**	(15,214)
16	Counterparty credit risk exposure for SFT assets	**1,261**	1,459
18	Total securities financing transaction exposures	**29,265**	27,256
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	**23,950**	21,205
20	Adjustments for conversion to credit equivalent amounts	**(13,005)**	(11,897)
21	General provisions deducted in determining tier 1 capital (leverage) and specific provisions associated with off-balance sheet exposures	**(2)**	(2)
22	Off-balance sheet exposures	**10,943**	9,306
Excluded exposures			
UK-22a	Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR	**(984)**	(1,025)
UK-22k	Total exempted exposures	**(984)**	(1,025)
Capital and total exposure measure			
23	Tier 1 capital (leverage)	**7,137**	3,580
24	Total exposure measure including claims on central banks	**103,635**	99,910
UK-24a	(-) Claims on central banks excluded	**(18,933)**	(20,298)
UK-24b	Total exposure measure excluding claims on central banks	**84,702**	79,612
Leverage ratio			
25	Leverage ratio excluding claims on central banks (%)	**8.4%**	4.5%
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	**8.4%**	4.5%
UK-25c	Leverage ratio including claims on central banks (%)	**6.9%**	3.6%
26	Regulatory minimum leverage ratio requirement (%)	**3.25%**	3.25%
Additional leverage ratio disclosure requirements - leverage ratio buffers			
27	Leverage ratio buffer (%)	**0.3%**	0.3%
UK-27b	Of which: countercyclical leverage ratio buffer (%)	**0.3%**	0.3%
Additional leverage ratio disclosure requirements - disclosure of mean values[1]			
28	Mean of daily values of gross SFT assets (over the quarter), after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	**29,155**	27,262
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	**28,005**	25,798
UK-31	Average total exposure measure including claims on central banks	**108,537**	101,559
UK-32	Average total exposure measure excluding claims on central banks	**88,057**	81,359
UK-33	Average leverage ratio including claims on central banks	**6.6%**	3.5%
UK-34	Average leverage ratio excluding claims on central banks	**8.1%**	4.4%

1 In reference to the preceding quarter.

LEVERAGE (Continued)

LR1: Summary reconciliation of accounting assets and leverage ratio exposures

		31 Dec 2025 £m	31 Dec 2024 £m
1	Total assets as per financial statements	**92,733**	95,003
4	Adjustment for exemption of exposures to central banks	**(18,933)**	(20,298)
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	**(736)**	(501)
8	Adjustment for derivative financial instruments	**1,797**	(2,651)
9	Adjustment for securities financing transactions (SFTs)	**1,261**	1,459
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)[1]	**10,945**	9,308
11	Adjustment for items and specific and general provisions which have reduced tier 1 capital (leverage)	**(234)**	(299)
UK-11a	Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR	**(1,531)**	(1,810)
12	Other adjustments	**(600)**	(599)
13	**Total exposure measure**	**84,702**	79,612

[1] Gross of specific provisions. The amount net of specific provisions at 31 December 2025 is £10,943 million (31 December 2024: £9,306 million).

LR3: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

		31 Dec 2025 £m	31 Dec 2024 £m
UK-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**44,906**	45,523
UK-2	**Trading book exposures**	**4,587**	4,984
UK-3	**Banking book exposures, of which:**	**40,319**	40,539
UK-5	Exposures treated as sovereigns	**19,501**	20,582
UK-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	**15**	16
UK-7	Institutions	**514**	562
UK-8	Secured by mortgages of immovable properties	**1,651**	1,559
UK-9	Retail exposures	**41**	36
UK-10	Corporates	**15,888**	14,051
UK-11	Exposures in default	**120**	131
UK-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	**2,589**	3,602

LRA: Disclosure of LR qualitative information

Description of the processes used to manage the risk of excessive leverage

Capital is actively managed and regulatory ratios, including leverage requirements, are a key consideration in the setting of risk appetite, planning processes and stress testing.

Bank capital plans include an assessment of capital adequacy in respect of both risk based capital and leverage requirements against regulatory requirements and internal risk appetite. Leverage is also assessed as part of regular internal stress scenarios with outputs presented to senior committees within the Bank.

The risks of contingent leverage are appropriately assessed as part of the Bank's annual ICAAP.

Description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers

Further details on the factors that had an impact on the leverage ratio during the period are discussed on page 5.

CREDIT RISK

CRB: Additional disclosure related to the credit quality of assets

The scope and definitions of 'past-due' and 'impaired' exposures used for accounting purposes and the differences between the definitions of past due and default for accounting and regulatory purposes on the application of the definition of default (Article 178 CRR)

For accounting purposes, loans and advances to customers are categorised into the following stages:
- Stage 1 assets comprise of newly originated assets (unless purchased or originated credit-impaired), as well as those which have not experienced a significant increase in credit risk. These assets carry an expected credit loss allowance equivalent to the expected credit losses that result from those default events that are possible within 12 months of the reporting date (12 month expected credit losses)
- Stage 2 assets are those which have experienced a significant increase in credit risk since origination. These assets carry an expected credit loss allowance equivalent to the expected credit losses arising over the lifetime of the asset (lifetime expected credit losses)
- Stage 3 assets have either defaulted or are otherwise considered to be credit-impaired. These assets carry a lifetime expected credit loss

Further detail on the accounting scope and definitions can be found in the Lloyds Bank Corporate Markets plc Annual Report and Accounts 2025, on page 66, 'Note 2F: Impairment of financial assets'.

Unless otherwise stated, the regulatory definition of default follows the accounting definition of default of 90 days past due.

The extent of past-due exposures (more than 90 days) that are not considered to be impaired

Detail can be found in the Lloyds Bank Corporate Markets plc Annual Report and Accounts 2025, on page 66, 'Note 2F: Impairment of financial assets'.

Description of methods used for determining general and specific credit risk adjustments

Detail can be found in the Lloyds Bank Corporate Markets plc Annual Report and Accounts 2025, on page 66, 'Note 2F: Impairment of financial assets'.

All expected credit losses determined in accordance with IFRS 9 are considered to be specific credit risk adjustments. The Bank does not recognise any general credit risk adjustments.

The institution's own definition of a restructured exposure (CRR Articles 178(3)(d) and 47b)

The Bank's definition of a distressed restructured exposure aligns to CRR Article 178(3)(d) and Article 47b.

CREDIT RISK (Continued)

The tables in this section reflect FINREP regulatory reporting categories and definitions. The reported values for defaulted exposure reflect a definition of default backstop of 90 days.

CR1: Performing and non-performing exposures and related provisions

		31 Dec 2025																
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions								Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					
		Total	Of which stage 1[1]	Of which stage 2[1]	Total	Of which stage 2[1]	Of which stage 3[1]	Total	Of which stage 1[1]	Of which stage 2[1]	Total	Of which stage 2	Of which stage 3	Accumulated partial write-off	On performing exposures	On non-performing exposures
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
005	Cash balances at central banks and other demand deposits	**19,095**	**19,095**	—	—	—	—	—	—	—	—	—	—	—	—	—
010	Loans and advances	**28,180**	**27,835**	**183**	**6**	—	**6**	**(7)**	**(6)**	**(1)**	**(1)**	—	**(1)**	—	**2,022**	**5**
030	General governments	**78**	**78**	—	—	—	—	—	—	—	—	—	—	—	—	—
040	Credit institutions	**1,847**	**1,847**	—	—	—	—	—	—	—	—	—	—	—	—	—
050	Other financial corporations	**23,416**	**23,138**	**118**	—	—	—	**(4)**	**(4)**	—	—	—	—	—	**40**	—
060	Non-financial corporations	**1,164**	**1,100**	**62**	**2**	—	**2**	**(3)**	**(2)**	**(1)**	**(1)**	—	**(1)**	—	**314**	**1**
080	Households	**1,675**	**1,672**	**3**	**4**	—	**4**	—	—	—	—	—	—	—	**1,668**	**4**
090	Debt securities	**390**	**380**	—	**114**	—	—	—	—	—	—	—	—	—	—	—
110	General governments	**140**	**140**	—	—	—	—	—	—	—	—	—	—	—	—	—
120	Credit institutions	**52**	**52**	—	—	—	—	—	—	—	—	—	—	—	—	—
130	Other financial corporations	**198**	**188**	—	**114**	—	—	—	—	—	—	—	—	—	—	—
150	Off-balance-sheet exposures	**23,070**	**23,027**	**43**	—	—	—	**(3)**	**(2)**	**(1)**	—	—	—		**3,617**	—
170	General governments	**134**	**134**	—	—	—	—	—	—	—	—	—	—		—	—
180	Credit institutions	**2,068**	**2,068**	—	—	—	—	—	—	—	—	—	—		**1,518**	—
190	Other financial corporations	**16,096**	**16,096**	—	—	—	—	**(1)**	**(1)**	—	—	—	—		**1,699**	—
200	Non-financial corporations	**4,709**	**4,666**	**43**	—	—	—	**(2)**	**(1)**	**(1)**	—	—	—		**400**	—
210	Households	**63**	**63**	—	—	—	—	—	—	—	—	—	—		—	—
220	Total	**70,735**	**70,337**	**226**	**120**	—	**6**	**(10)**	**(8)**	**(2)**	**(1)**	—	**(1)**	—	**5,639**	**5**

1 Staging analysis will exclude those assets and provisions that cannot be allocated to a stage such as those measured at fair value.

CREDIT RISK (Continued)

CR1: Performing and non-performing exposures and related provisions (Continued)

		31 Dec 2024														
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions							Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					
		Total	Of which stage 1[1]	Of which stage 2[1]	Total	Of which stage 2[1]	Of which stage 3[1]	Total	Of which stage 1[1]	Of which stage 2[1]	Total	Of which stage 2	Of which stage 3	Accumulated partial write-off	On performing exposures	On non-performing exposures
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
005	Cash balances at central banks and other demand deposits	20,512	20,512	—	—	—	—	—	—	—	—	—	—	—	—	—
010	Loans and advances	24,514	24,417	95	8	—	8	(8)	(7)	(1)	—	—	—	—	1,964	1
030	General governments	33	33	—	—	—	—	—	—	—	—	—	—	—	—	—
040	Credit institutions	1,701	1,701	—	—	—	—	—	—	—	—	—	—	—	—	—
050	Other financial corporations	19,869	19,857	12	—	—	—	(3)	(3)	—	—	—	—	—	—	—
060	Non-financial corporations	1,335	1,254	79	4	—	4	(4)	(3)	(1)	—	—	—	—	395	1
080	Households	1,576	1,572	4	4	—	4	(1)	(1)	—	—	—	—	—	1,569	—
090	Debt securities	344	336	—	123	—	—	—	—	—	—	—	—	—	—	—
110	General governments	35	35	—	—	—	—	—	—	—	—	—	—	—	—	—
120	Credit institutions	95	95	—	—	—	—	—	—	—	—	—	—	—	—	—
130	Other financial corporations	214	206	—	123	—	—	—	—	—	—	—	—	—	—	—
150	Off-balance-sheet exposures	20,712	20,653	59	1	1	—	(4)	(3)	(1)	—	—	—		3,493	—
170	General governments	160	160	—	—	—	—	—	—	—	—	—	—		160	—
180	Credit institutions	2,206	2,206	—	—	—	—	—	—	—	—	—	—		1,518	—
190	Other financial corporations	14,030	14,008	22	—	—	—	(1)	(1)	—	—	—	—		1,629	—
200	Non-financial corporations	4,269	4,232	37	1	1	—	(3)	(2)	(1)	—	—	—		186	—
210	Households	47	47	—	—	—	—	—	—	—	—	—	—		—	—
220	Total	66,082	65,918	154	132	1	8	(12)	(10)	(2)	—	—	—	—	5,457	1

1 Staging analysis will exclude those assets and provisions that cannot be allocated to a stage such as those measured at fair value.

CREDIT RISK (Continued)

CR1-A: Maturity of exposures

		31 Dec 2025					
		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
		£m	£m	£m	£m	£m	£m
1	Loans and advances	**1,155**	**14,337**	**10,304**	**2,297**	**86**	**28,179**
2	Debt securities	**—**	**283**	**173**	**47**	**—**	**503**
3	**Total**	**1,155**	**14,620**	**10,477**	**2,344**	**86**	**28,682**

		31 Dec 2024					
		£m	£m	£m	£m	£m	£m
1	Loans and advances	2,103	12,661	7,632	2,119	—	24,515
2	Debt securities	—	104	301	62	—	467
3	Total	2,103	12,765	7,933	2,181	—	24,982

CR2: Changes in the stock of non-performing loans and advances

		Gross carrying amount
		£m
010	Initial stock of non-performing loans and advances at 31 December 2024	**8**
020	Inflows to non-performing portfolios	**1**
030	Outflows from non-performing portfolios	**(3)**
040	Outflows due to write-offs	**(2)**
050	Outflow due to other situations	**(1)**
060	**Final stock of non-performing loans and advances at 31 December 2025**	**6**

CREDIT RISK (Continued)

CQ1: Credit quality of forborne exposures

		31 Dec 2025							
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
			Non-performing forborne						
		Performing forborne		Of which defaulted	Of which impaired	On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
		£m	£m	£m	£m	£m	£m	£m	£m
010	**Loans and advances**	—	**6**	**6**	**6**	—	**(1)**	**5**	**5**
060	Non-financial corporations	—	**2**	**2**	**2**	—	**(1)**	**1**	**1**
070	Households	—	**4**	**4**	**4**	—	—	**4**	**4**
080	**Debt Securities**	—	—	—	—	—	—	—	—
090	**Loan commitments given**	—	—	—	—	—	—	—	—
100	**Total**	—	**6**	**6**	**6**	—	**(1)**	**5**	**5**

		31 Dec 2024							
		£m	£m	£m	£m	£m	£m	£m	£m
010	Loans and advances	2	8	8	8	—	—	3	1
060	Non-financial corporations	2	4	4	4	—	—	3	1
070	Households	—	4	4	4	—	—	—	—
080	Debt Securities	—	—	—	—	—	—	—	—
090	Loan commitments given	—	1	—	—	—	—	—	—
100	Total	2	9	8	8	—	—	3	1

CREDIT RISK (Continued)

CQ3: Credit quality of performing and non-performing exposures by past due days

		31 Dec 2025											
		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
		Total	Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days	Total	Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
005	**Cash balances at central banks and other demand deposits**	**19,095**	**19,095**	—	—	—	—	—	—	—	—	—	—
010	**Loans and advances**	**28,180**	**28,180**	—	**6**	—	**1**	**3**	**1**	**1**	—	—	**6**
030	General governments	**78**	**78**	—	—	—	—	—	—	—	—	—	—
040	Credit institutions	**1,847**	**1,847**	—	—	—	—	—	—	—	—	—	—
050	Other financial corporations	**23,416**	**23,416**	—	—	—	—	—	—	—	—	—	—
060	Non-financial corporations	**1,164**	**1,164**	—	**2**	—	—	**2**	—	—	—	—	**2**
080	Households	**1,675**	**1,675**	—	**4**	—	**1**	**1**	**1**	**1**	—	—	**4**
090	**Debt securities**	**390**	**390**	—	**114**	**110**	—	**4**	—	—	—	—	**114**
110	General governments	**140**	**140**	—	—	—	—	—	—	—	—	—	—
120	Credit institutions	**52**	**52**	—	—	—	—	—	—	—	—	—	—
130	Other financial corporations	**198**	**198**	—	**114**	**110**	—	**4**	—	—	—	—	**114**
150	**Off-balance-sheet exposures**	**23,070**			—								—
170	General governments	**134**			—								—
180	Credit institutions	**2,068**			—								—
190	Other financial corporations	**16,096**			—								—
200	Non-financial corporations	**4,709**			—								—
210	Households	**63**			—								—
220	**Total**	**70,735**	**47,665**	—	**120**	**110**	**1**	**7**	**1**	**1**	—	—	**120**

CREDIT RISK (Continued)

CQ3: Credit quality of performing and non-performing exposures by past due days continued

		31 Dec 2024											
		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
		Total	Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days	Total	Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
005	Cash balances at central banks and other demand deposits	20,512	20,512	—	—	—	—	—	—	—	—	—	—
010	Loans and advances	24,514	24,514	—	8	—	3	3	1	—	1	—	8
030	General governments	33	33	—	—	—	—	—	—	—	—	—	—
040	Credit institutions	1,701	1,701	—	—	—	—	—	—	—	—	—	—
050	Other financial corporations	19,869	19,869	—	—	—	—	—	—	—	—	—	—
060	Non-financial corporations	1,335	1,335	—	4	—	2	1	—	—	1	—	4
080	Households	1,576	1,576	—	4	—	1	2	1	—	—	—	4
090	Debt securities	344	344	—	123	123	—	—	—	—	—	—	123
110	General governments	35	35	—	—	—	—	—	—	—	—	—	—
120	Credit institutions	95	95	—	—	—	—	—	—	—	—	—	—
130	Other financial corporations	214	214	—	123	123	—	—	—	—	—	—	123
150	Off-balance-sheet exposures	20,712			1								—
170	General governments	160			—								—
180	Credit institutions	2,206			—								—
190	Other financial corporations	14,030			—								—
200	Non-financial corporations	4,269			1								—
210	Households	47			—								—
220	Total	66,082	45,370	—	132	123	3	3	1	—	1	—	131

CREDIT RISK (Continued)

CQ4: Quality of non-performing exposures by geography

		31 Dec 2025				
		Gross carrying/nominal amount				
		Total performing and non-performing	Of which defaulted	Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		£m	£m	£m	£m	£m
010	**On-balance-sheet exposures**	**28,690**	**120**	**(8)**		—
020	Bermuda	**96**	—	—		—
030	Canada	**69**	—	—		—
040	Cayman Islands	**1,435**	—	—		—
050	France	**2,697**	—	—		—
060	Guernsey	**2,608**	**1**	**(1)**		—
070	Isle of Man	**466**	**3**	**(1)**		—
080	Jersey	**1,232**	**2**	**(1)**		—
090	Luxembourg	**3,020**	—	**(1)**		—
100	South Africa	**21**	—	—		—
110	United Kingdom	**8,096**	**114**	**(2)**		—
120	United States	**7,798**	—	**(2)**		—
130	Other countries	**1,152**	—	—		—
140	**Off-balance-sheet exposures**	**23,070**	—		**(3)**	
150	Bermuda	**1,593**	—		—	
160	Canada	**534**	—		—	
170	Cayman Islands	**116**	—		—	
180	France	—	—		—	
190	Guernsey	**531**	—		—	
200	Isle of Man	**86**	—		—	
210	Jersey	**517**	—		—	
220	Luxembourg	**1,902**	—		—	
230	South Africa	**1,536**	—		—	
240	United Kingdom	**4,778**	—		**(1)**	
250	United States	**10,769**	—		**(2)**	
260	Other countries	**708**	—		—	
270	**Total**	**51,760**	**120**	**(8)**	**(3)**	—

CREDIT RISK (Continued)

CQ4: Quality of non-performing exposures by geography continued

		31 Dec 2024				
		Gross carrying/nominal amount				
		Total performing and non-performing	Of which defaulted	Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		£m	£m	£m	£m	£m
010	On-balance-sheet exposures	24,989	131	(8)		—
020	Bermuda	72	—	—		—
030	Cayman Islands	827	—	—		—
040	France	3,601	—	—		—
050	Guernsey	2,259	1	(1)		—
060	Isle of Man	449	4	(1)		—
070	Jersey	1,131	1	(1)		—
080	Luxembourg	1,710	—	—		—
090	South Africa	51	—	—		—
100	United Kingdom	6,751	125	(2)		—
110	United States	6,982	—	(2)		—
120	Other countries	1,156	—	(1)		—
130	Off-balance-sheet exposures	20,713	—		(4)	
140	Bermuda	1,807	—		—	
150	Cayman Islands	129	—		—	
160	France	—	—		—	
170	Guernsey	865	—		—	
180	Isle of Man	36	—		—	
190	Jersey	328	—		—	
200	Luxembourg	1,270	—		—	
210	South Africa	1,549	—		—	
220	United Kingdom	4,340	—		(2)	
230	United States	10,018	—		(2)	
240	Other countries	371	—		—	
250	Total	45,702	131	(8)	(4)	—

CREDIT RISK (Continued)

CQ5: Credit quality of loans and advances to non-financial corporations by industry

		31 Dec 2025			
		Gross carrying amount			Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which defaulted	Accumulated impairment	
		£m	£m	£m	£m
030	Manufacturing	**274**	—	—	—
040	Electricity, gas, steam and air conditioning supply	**41**	—	—	—
050	Water supply	**27**	—	—	—
060	Construction	**22**	—	—	—
070	Wholesale and retail trade	**82**	—	—	—
090	Accommodation and food service activities	**2**	—	—	—
100	Information and communication	**159**	—	**(1)**	—
120	Real estate activities	**511**	**2**	**(2)**	—
130	Professional, scientific and technical activities	**37**	—	**(1)**	—
140	Administrative and support service activities	**8**	—	—	—
170	Human health services and social work activities	**3**	—	—	—
200	**Total**	**1,166**	**2**	**(4)**	—

		31 Dec 2024			
		£m	£m	£m	£m
030	Manufacturing	321	—	—	—
040	Electricity, gas, steam and air conditioning supply	39	—	—	—
050	Water supply	21	—	—	—
060	Construction	23	—	—	—
070	Wholesale and retail trade	279	—	—	—
090	Accommodation and food service activities	2	—	—	—
100	Information and communication	101	—	—	—
120	Real estate activities	470	3	(2)	—
130	Professional, scientific and technical activities	70	1	(2)	—
140	Administrative and support service activities	9	—	—	—
170	Human health services and social work activities	4	—	—	—
200	Total	1,339	4	(4)	—

CREDIT RISK (Continued)

CRC: Qualitative disclosure requirements related to CRM techniques

Description of the core policies and processes for on- and off-balance sheet netting and an indication of the extent to which institutions make use of balance sheet netting

It is a credit requirement that a Bank-approved master netting agreement must be used for all derivative and traded product transactions and must be in place prior to trading, with separate documentation required for each entity providing facilities. This requirement extends to trades with clients and the counterparties used for the Bank's own hedging activities, which may also include clearing trades with Central Counterparties (CCPs).

Any exceptions must be approved by the appropriate credit approver. Master netting agreements do not generally result in an offset of balance sheet assets and liabilities for accounting purposes, as transactions are usually settled on a gross basis. However, within relevant jurisdictions and for appropriate counterparty types, master netting agreements do reduce the credit risk to the extent that, if an event of default occurs, all trades with the counterparty may be terminated and settled on a net basis. The Bank's overall exposure to credit risk on derivative instruments subject to master netting agreements can change substantially within a short period, since this is the net position of all trades under the master netting agreement.

Further detail can be found in the Lloyds Bank Corporate Markets plc Annual Report and Accounts 2025, on page 66, 'Note 2E: Offset', and on page 75, 'Note 11: Measurement basis of financial assets and liabilities', 'Offsetting of financial assets and liabilities'.

The core features of policies and processes for eligible collateral evaluation and management and a description of the main types of collateral taken by the institution to mitigate credit risk

The principal types of acceptable collateral include: residential and commercial properties; charges over business assets such as inventory and accounts receivable; financial instruments such as debt securities; vehicles; cash; and guarantees received from third parties.

The Bank maintains credit standards on the acceptability of specific classes of collateral.

Collateral held as security for financial assets other than loans and advances is determined by the nature of the underlying exposure. Debt securities, including treasury and other bills, are generally unsecured, with the exception of asset-backed securities and similar instruments such as covered bonds, which are secured by portfolios of financial assets. Collateral is generally not held against loans and advances to financial institutions and debt securities. Debt securities are classified as financial assets held at amortised cost.

Collateral requirements at origination depend on the transaction's nature and the borrower's credit quality, size and structure. For non-retail exposures, the Bank may seek:
- A first charge over land and buildings owned and occupied by the business
- A debenture over the assets of a company or limited liability partnerships
- Limited personal guarantees from directors of a company or limited liability partnership
- Key man insurance

The Bank has standards on acceptable collateral valuations, maximum loan-to-value (LTV) ratios, and other criteria for application reviews. The customer or counterparty must demonstrate its ability to generate funds from normal operations to repay a customer or counterparty's financial commitments, rather than relying on the disposal of collateral.

The Bank requires collateral to be valued by a qualified, independent source at the time of borrowing, where appropriate. For retail residential mortgages and limited residential assets in Commercial, automated valuation models may be used, subject to accuracy and LTV limits. Third party valuations are regularly monitored and reviewed. Collateral values are reviewed based on lending type, collateral and account performance to ensure they remain appropriate. If collateral value declines, the Bank may seek additional collateral or amend facility terms. The Bank adjusts estimated market values to take account of the costs of realisation and any discount associated with the realisation of the collateral when estimating credit losses. In some circumstances, where the discounted value of the estimated net proceeds from the liquidation of collateral (i.e. net of costs, expected haircuts and anticipated changes in the value of the collateral to the point of sale) is greater than the estimated exposure at default, no credit losses are expected and no ECL allowance is recognised.

Further detail can be found in the Lloyds Bank Corporate Markets plc Annual Report and Accounts 2025, on pages 103 to 104, 'Note 31: Financial risk management', '(D) Collateral held as security for other financial assets' and '(E) Collateral pledged as security'.

Where collateral is held, the eligible collateral for loans and advances and contingent liabilities is classified as either financial collateral or other collateral, as outlined below:
- Eligible financial collateral includes cash on deposit with the bank, gold, rated debt securities (subject to certain restrictions), equities or convertible bonds included in a main index and units in certain collective investment undertakings or mutual funds.
- The Bank predominantly applies eligible financial collateral to its Corporate (IRB and Standardised) and Institutions (IRB) exposures.
- Real estate collateral includes charges over residential and commercial properties.
- Other eligible collateral includes short term financial receivables, credit insurance, life policies and other physical collateral for example, vehicles, providing the criteria for eligibility are met.

CREDIT RISK (Continued)

The Bank's application of different types of credit risk mitigation from a regulatory capital perspective is outlined below:

	Standardised		IRB		
	EAD	**Other**	**EAD**	**LGD**	**PD**
Eligible financial collateral					
trading book	✓		✓		
non-trading book	✓			✓	
Other eligible collateral					
real estate collateral[1]		✓		✓	✓
other physical collateral				✓	✓
credit insurance[2]		✓			✓
receivables	✓			✓	
life policies	✓			✓	
Credit derivatives[2]		✓			✓
Collateralised guarantees		✓		✓	
Non collateralised guarantees[2]		✓			✓

[1] Real estate collateral determines the exposure class under the Standardised Approach as explained below.
[2] As per application under the Substitution Approach, as explained below.

Application under the Standardised Approach

Where a credit risk exposure subject to the Standardised Approach is covered by a form of eligible financial collateral, the EAD value is adjusted accordingly under the Financial Collateral Comprehensive Method (FCCM) applying adjustments for volatility and currency mismatch, in addition to maturity mismatches for all collateral types and appropriate value discounts as needed.

For unfunded credit protection, where both the protection provider and the original obligor are reported under the Standardised Approach, for example where certain guarantees or credit derivatives apply, the exposure class and therefore risk weight applied to the portion of the exposure covered by the protection provider is based on the exposure class of the provider, referred to as the Substitution Approach. The covered portion is determined after the application of 'haircuts' for currency and maturity mismatch applied to the protection provided. The risk weight applied to the uncovered portion of the exposure is not impacted.

Real estate collateral does not impact EAD directly under the Standardised Approach, however, it instead determines the exposure class and directly impacts the risk-weight applied to the exposure.

Collateral may also be used as an input for modelling SCRAs against exposures, which will also indirectly reduce the EAD for exposures subject to the Standardised Approach.

Application under the IRB Approach

In recognising eligible financial collateral under the FIRB Approach, the Bank adjusts the relevant LGD value in accordance with the application of the FCCM, applying adjustments for volatility and currency mismatch, in addition to maturity mismatches for all collateral types and appropriate value discounts as needed.

Other eligible collateral, collateralised guarantees and real estate collateral applied under the FIRB Approach will typically result in an adjustment to the regulatory LGD value, subject to floors as prescribed in the CRR. The adjustment applied is dependent on the value and type of collateral used.

Where appropriate guarantees or credit derivatives apply and both the protection provider and the original obligor are reported under the FIRB approach, the PD applied to the portion of the exposure covered by the protection provider is based on the PD of the provider, referred to as the PD substitution approach. The covered portion is determined after the application of 'haircuts' for currency and maturity mismatch applied to the protection provided. The PD applied to the uncovered portion of the exposure is not impacted.

Application between the IRB and Standardised Approaches

Under the Substitution Approach a non-collateralised guarantee could also result in an exposure moving between regulatory approaches. This occurs where the original obligor would be reported under the IRB approach and the protection provider under the Standardised Approach or where the original exposure was on the Supervisory Slotting approach regardless of the approach used for a direct exposure to the protection provider. This can occur for government, corporate or institutional guarantees (including centrally cleared credit default swap protection). When this situation arises the protected exposure, after taking account of the application of 'haircuts' for any currency and / or maturity mismatches, is substituted from its original approach/exposure class into the Standardised Approach with the relevant exposure class of the protection provider. This results in the exposure moving to the risk weight based on the exposure class of the protection provider. Such substitution is only undertaken if the resultant position benefits from a lower capital requirement than was originally required.

Within the disclosures this is evident as the Gross Exposure (or On- and Off-Balance Sheet Exposure pre-CCF and CRM) shown in a particular table will include the exposure against the original obligor's exposure class as this is typically presented pre-CRM. The EAD for that asset class will not include the same exposure as it is shown post-CRM and therefore reflects that the exposure has substituted into the exposure class of the protection provider. EAD can therefore be higher or lower than the pre-CRM Gross Exposure as a result of this substitution effect.

Guarantees and credit derivatives used as credit protection, the main types of guarantor and credit derivative counterparty and their creditworthiness used for the purposes of reducing capital requirements, excluding those used as part of synthetic securitisation structures

Guarantees from eligible protection providers including governments, institutions and corporates, can provide regulatory capital relief, although there are minimum operational and legal requirements which must be met before reflecting the risk mitigating effect. On the basis that these requirements are met, alternative forms of protection, for example indemnities, may be classified as a guarantee for regulatory capital purposes. Export Credit Agencies can provide risk mitigation in the form of a guarantee (typically up to 85% – 95% of a contract value) providing cover and guarantee of payment in relation to commercial and political risk.

CREDIT RISK (Continued)

Regulatory capital relief is taken for guarantees provided by appropriate governments, institutions or corporates, as well as for collateralised guarantees from corporates where available.

The Bank may undertake asset sales, credit derivative based transactions, and purchases of credit default swaps or credit insurance as a means of mitigating or reducing credit risk and/or risk concentration, taking into account the nature of assets and the prevailing market conditions.

The Bank makes limited use of credit derivatives as credit risk mitigation from a capital perspective.

Information about market or credit risk concentrations within the credit mitigation taken

The Bank considers risk concentrations by collateral providers and collateral type with a view to ensuring that any potential undue concentrations of risk are identified and suitably managed by changes to strategy, standards and/or business plans.

CR3: CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

	31 Dec 2025				
	Unsecured carrying amount	**Secured carrying amount**	**Of which secured by collateral**	**Of which secured by financial guarantees**	**Of which secured by credit derivatives**
	£m	**£m**	**£m**	**£m**	**£m**
Loans and advances	**26,151**	**2,027**	**1,972**	**55**	**—**
Debt securities	**504**	**—**	**—**	**—**	
Total	**26,655**	**2,027**	**1,972**	**55**	**—**
Of which non-performing exposures	**114**	**5**	**5**	**—**	**—**
Of which defaulted	**114**	**5**			

	31 Dec 2024				
	£m	£m	£m	£m	£m
Loans and advances	22,549	1,965	1,965	—	—
Debt securities	467	—	—	—	
Total	23,016	1,965	1,965	—	—
Of which non-performing exposures	131	1	1	—	—
Of which defaulted	130	1			

CREDIT RISK (Continued)

CR4: Standardised approach – Credit risk exposure and CRM effects

		31 Dec 2025					
		Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density[1]	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet amount	RWAs	RWAs density
	Exposure classes	**£m**	**£m**	**£m**	**£m**	**£m**	**%**
1	Central governments or central banks	**12,774**	**—**	**12,774**	**—**	**40**	**—**
3	Public sector entities	**15**	**—**	**15**	**—**	**—**	**—**
4	Multilateral development banks	**70**	**—**	**70**	**—**	**—**	**—**
6	Institutions	**163**	**417**	**139**	**30**	**69**	**41**
7	Corporates	**425**	**1,489**	**440**	**220**	**394**	**60**
8	Retail	**41**	**14**	**41**	**5**	**34**	**73**
9	Secured by mortgages on immovable property	**1,651**	**62**	**1,651**	**31**	**593**	**35**
10	Exposures in default	**4**	**—**	**4**	**—**	**4**	**105**
13	Institutions and corporates with a short-term credit assessment	**—**	**—**	**—**	**—**	**—**	**—**
16	Other items	**90**	**—**	**90**	**—**	**47**	**52**
17	**Total**	**15,233**	**1,982**	**15,224**	**286**	**1,181**	**8**

		31 Dec 2024					
	Exposure classes	£m	£m	£m	£m	£m	%
1	Central governments or central banks	11,898	—	11,898	—	39	—
3	Public sector entities	16	—	16	—	—	—
4	Multilateral development banks	74	—	74	—	—	—
6	Institutions	227	450	230	29	133	51
7	Corporates	561	757	561	159	382	53
8	Retail	36	50	36	24	44	73
9	Secured by mortgages on immovable property	1,560	—	1,560	—	550	35
10	Exposures in default	10	—	10	—	11	109
13	Institutions and corporates with a short-term credit assessment	—	—	—	—	—	—
16	Other items	32	—	32	—	31	97
17	Total	14,416	1,257	14,419	212	1,190	8

1 Risk-weighted assets and density reported in this table are disclosed after application of supporting factors.

CREDIT RISK (Continued)

CR7-A: IRB Approach - Disclosure of the extent of the use of CRM techniques

		31 Dec 2025									
			Credit risk mitigation techniques								Credit risk Mitigation methods in the calculation of RWAs
			Funded Credit Protection (FCP)						Unfunded Credit Protection (UFCP)		
		Total exposure at default	Part of exposures covered by Financial Collaterals	Part of exposures covered by Other eligible collaterals	Part of exposures covered by Immovable property Collaterals	Part of exposures covered by Receivables	Part of exposures covered by Other physical collateral	Part of exposures covered by other funded credit protection	Part of exposures covered by Guarantees	Part of exposures covered by Credit Derivatives	RWA with substitution effects (both reduction and substitution effects)
F-IRB		**£m**	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**£m**
1	**Central governments and central banks**	**6,815**	—	—	—	—	—	—	—	—	**78**
2	**Institutions**	**2,228**	**68.1**	—	—	—	—	—	—	—	**276**
3	**Corporates**	**25,960**	**5.2**	**1.0**	**1.0**	—	—	—	**0.2**	**0.2**	**8,964**
3.1	Of which Corporates – SMEs	**36**	—	—	—	—	—	—	—	—	**27**
3.3	Of which Corporates – Other	**25,924**	**5.2**	**1.0**	**1.0**	—	—	—	**0.2**	**0.2**	**8,937**
4	**Total**	**35,003**	**8.2**	**0.7**	**0.7**	—	—	—	**0.1**	**0.2**	**9,318**
Other IRB											
	Specialised lending under the slotting approach[1]	**597**	—	—	—	—	—	—	—	—	**326**
	Total	**597**	—	—	—	—	—	—	—	—	**326**
		31 Dec 2024									
F-IRB		£m	%	%	%	%	%	%	%	%	£m
1	Central governments and central banks	8,785	—	—	—	—	—	—	—	—	75
2	Institutions	1,726	88.0	—	—	—	—	—	—	—	172
3	Corporates	22,799	5.4	1.3	1.3	—	—	—	—	0.3	7,363
3.1	Of which Corporates – SMEs	67	—	77.3	77.3	—	—	—	—	—	34
3.3	Of which Corporates – Other	22,732	5.5	1.1	1.1	—	—	—	—	0.3	7,329
4	Total	33,311	8.2	0.9	0.9	—	—	—	—	0.2	7,610
Other IRB											
	Specialised lending under the slotting approach[1]	438	—	—	—	—	—	—	—	—	272
	Total	438	—	—	—	—	—	—	—	—	272

[1] The exposures disclosed in the 'Specialised lending under the slotting approach' row are fully secured, however the collateral is not used directly in the calculation of RWA.

CREDIT RISK (Continued)

CR10.1: Specialised lending - Project Finance (Slotting approach)

		31 Dec 2025					
Regulatory categories	**Remaining maturity**	**On-balance sheet exposure £m**	**Off-balance sheet exposure £m**	**Risk weight %**	**Exposure value £m**	**Risk weighted exposure amount £m**	**Expected loss amount £m**
1) Strong	Less than 2.5 years	**233**	**136**	**50**	**299**	**150**	**—**
	Equal to or more than 2.5 years	**—**	**21**	**70**	**5**	**3**	**—**
2) Good	Less than 2.5 years	**59**	**10**	**70**	**66**	**46**	**—**
	Equal to or more than 2.5 years	**—**	**—**	**90**	**—**	**—**	**—**
3) Satisfactory	Less than 2.5 years	**—**	**—**	**115**	**—**	**—**	**—**
	Equal to or more than 2.5 years	**—**	**—**	**115**	**—**	**—**	**—**
4) Weak	Less than 2.5 years	**—**	**4**	**250**	**1**	**2**	**—**
	Equal to or more than 2.5 years	**—**	**—**	**250**	**—**	**1**	**—**
5) Default	Less than 2.5 years	**1**	**2**	**—**	**2**	**—**	**1**
	Equal to or more than 2.5 years	**—**	**2**	**—**	**1**	**—**	**—**
Total	**Less than 2.5 years**	**293**	**152**		**368**	**198**	**1**
	Equal to or more than 2.5 years	**—**	**23**		**6**	**4**	**—**

		31 Dec 2024					
Regulatory categories	Remaining maturity	£m	£m	%	£m	£m	£m
1) Strong	Less than 2.5 years	97	33	50	117	58	—
	Equal to or more than 2.5 years	81	86	70	137	96	1
2) Good	Less than 2.5 years	—	—	70	—	—	—
	Equal to or more than 2.5 years	29	6	90	33	30	—
Total	Less than 2.5 years	97	33		117	58	—
	Equal to or more than 2.5 years	110	92		170	126	1

CREDIT RISK (Continued)

CR10.2: Specialised lending - Income-producing real estate and high volatility commercial real estate (Slotting approach)

		31 Dec 2025					
Regulatory categories	**Remaining maturity**	**On-balance sheet exposure £m**	**Off-balance sheet exposure £m**	**Risk weight %**	**Exposure value £m**	**Risk weighted exposure amount £m**	**Expected loss amount £m**
1) Strong	Less than 2.5 years	**149**	**4**	**50**	**153**	**75**	—
	Equal to or more than 2.5 years	—	—	**70**	—	—	—
2) Good	Less than 2.5 years	**69**	—	**70**	**69**	**49**	—
	Equal to or more than 2.5 years	—	—	**90**	—	—	—
5) Default	Less than 2.5 years	**2**	—		**2**	—	**1**
	Equal to or more than 2.5 years	—	—		—	—	—
Total	**Less than 2.5 years**	**220**	**4**		**224**	**124**	**1**
	Equal to or more than 2.5 years	—	—		—	—	—

		31 Dec 2024					
Regulatory categories	Remaining maturity	£m	£m	%	£m	£m	£m
1) Strong	Less than 2.5 years	88	2	50	89	44	—
	Equal to or more than 2.5 years	30	—	70	30	22	—
2) Good	Less than 2.5 years	31	—	70	31	22	—
	Equal to or more than 2.5 years	—	—	90	—	—	—
5) Default	Less than 2.5 years	—	—		—	—	—
	Equal to or more than 2.5 years	—	—		—	—	—
Total	Less than 2.5 years	119	2		120	66	—
	Equal to or more than 2.5 years	30	—		30	22	—

LIQUIDITY

LIQA: Liquidity risk management

Strategies and processes in the management of the liquidity risk

The Bank manages and monitors liquidity risks and ensures that liquidity risk management systems and arrangements are adequate with regard to internal risk appetite, strategy and regulatory requirements.

Liquidity policies are owned by the Risk function and related procedures are subject to independent internal oversight by the Risk function. Overseas branches and subsidiaries of the Bank may also be required to meet local liquidity requirements.

The Bank's funding and liquidity position is underpinned by a diverse funding base and is supported through a prudent liquidity management framework and funding profile.

The Bank plans funding requirements over its planning period, combining business as usual and stressed conditions. Funding concentration by counterparty, currency and tenor is monitored on an ongoing basis and where concentrations do exist, these are managed as part of the planning process and limited by the internal funding and liquidity risk monitoring framework, with analysis regularly provided to senior management.

Structure and organisation of the liquidity risk management function

The Bank's Board develops the strategy within the boundaries set by the Risk Appetite which is reviewed and approved at least annually. The Bank's Board Risk Committee is responsible for reviewing Lloyds Bank Corporate Markets Risk Appetite, Group Risk Management Framework (Group RMF) and risk culture. The Group RMF is supplemented with additional tailored practices to address the Bank specific requirements.

The Bank's Asset and Liability Committee (ALCO) is responsible for reviewing and determining the appropriate allocation of capital, funding and liquidity and market risk resources. The Bank's ALCO is supported by the Bank's Treasury and Lloyds Banking Group Corporate Treasury (GCT) through the Shared Service Model in managing liquidity risk.

A description of the degree of centralisation of liquidity management and interaction between the group's units

The Bank's day-to-day liquidity risk management is managed centrally by the Bank's Treasury team supported by the Lloyds Banking Group Corporate Treasury through a Shared Service Model.

The Bank operates a Liquidity Transfer Pricing process which allocates relevant interest expenses from the centre to the Bank's banking businesses within the internal management accounts, and helps drive the correct inputs to customer pricing.

Scope and nature of liquidity risk reporting and measurement systems.

Liquidity risk monitoring and reporting is managed through a series of measures, tests and reports that are primarily based on contractual maturities with behavioural overlays as appropriate. The Bank undertakes both quantitative and qualitative analysis of the behavioural aspects of its assets and liabilities to reflect their expected behaviour.

The Bank's liquidity risk reporting utilises Lloyds Banking Group's strategic Liquidity Reporting System, which is used for both external regulatory reporting and a range of other internal liquidity metrics including the internal liquidity stress test.

Daily monitoring and control processes are in place to address both internal and regulatory liquidity reporting and measurement which include key ratios such as LCR, Internal Liquidity Stress Testing and NSFR.

The Bank monitors a range of market and internal early warning indicators daily for early signs of liquidity risk in the market or specific to the Bank. These are a mixture of quantitative and qualitative measures, including but not limited to, wholesale funding concentration and maturity profiles, changes in customer deposits, and widening Credit Default Swap spreads.

Policies for hedging and mitigating the liquidity risk and strategies and processes

The Bank manages its liquidity position both with regard to its internal risk appetite, the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) as required by the PRA, the Capital Requirements Directive (CRD V) and the Capital Requirements Regulation (CRR) liquidity requirements.

To mitigate liquidity risk, the Bank holds a liquidity buffer consisting of central bank reserves and other diversified high quality liquid assets to mitigate potential liquidity outflow risks as indicated under the LCR and internal liquidity stress scenarios. The Bank considers diversification across geography, currency, markets and tenor when assessing appropriate holding of liquid assets.

An outline of the bank's contingency funding plans

The Bank maintains a Liquidity Contingency Framework as part of the wider Recovery Plan which is reviewed and tested regularly and is designed to identify emerging liquidity concerns at an early stage, so that mitigating actions can be taken to avoid a crisis developing. The Liquidity Contingency Framework has a foundation of robust and regular monitoring and reporting of KPIs, EWIs and Risk Appetite by GCT with second-line Risk oversight up to and including Board level. Where movements in any of these metrics and indicator suites point to a potential issue, SME teams and their Directors will escalate this information as appropriate.

An explanation of how stress testing is used

The Bank carries out internal stress testing of its liquidity and potential cash flow mismatch position over both short (up to one month) and longer-term horizons against a range of severe but plausible stress scenarios forming an important part of the internal risk appetite.

The scenarios and assumptions are reviewed at least annually to ensure that they continue to be relevant to the nature of the business, including reflecting emerging horizon risks to the Bank. These are reviewed and challenged by the Risk function and approved by the Board.

A declaration approved by the management body on the adequacy of liquidity risk management

The Board confirm the adequacy of the liquidity risk management arrangements, including compliance with the PRA's Overall Liquidity Adequacy Rule, annually via the Bank's Internal Liquidity Adequacy Assessment Process (ILAAP). The ILAAP documents and demonstrates that the Bank maintains adequate funding and liquidity resources to ensure its financial stability.

A concise liquidity risk statement approved by the management body

The Board approves the Bank's Funding and Liquidity management framework, as defined by the Group RMF, and approves the Bank's Liquidity Risk Appetite Statement; that liquidity risk appetite is maintained above regulatory minima in a severe but plausible stress for a reasonable time-period, relying on non-franchise damaging management actions.

LIQUIDITY (Continued)

The table below presents the breakdown of the Bank's cash outflows and cash inflows, as well as its available high quality liquid assets, calculated as the simple averages of month end observations over the 12 months preceding the end of each quarter.

LIQ1: Liquidity Coverage Ratio (LCR)

		Total unweighted value (average)				Total weighted value (average)			
		31 Dec 2025	**30 Sep 2025**	**30 Jun 2025**	**31 Mar 2025**	**31 Dec 2025**	**30 Sep 2025**	**30 Jun 2025**	**31 Mar 2025**
	Number of data points used in calculation of averages	12	12	12	12	12	12	12	12
High-quality liquid assets (£m)									
1	Total high-quality liquid assets (HQLA)					**26,830**	26,787	26,353	26,227
Cash - outflows (£m)									
2	Retail deposits and deposits from small business customers, of which:	**7,814**	7,798	7,787	7,786	**1,000**	1,013	1,026	1,022
4	Less stable deposits	**7,466**	7,628	7,787	7,786	**1,000**	1,013	1,026	1,022
5	Unsecured wholesale funding	**9,975**	9,790	9,045	8,445	**5,979**	6,000	5,688	5,446
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	**98**	105	105	100	**25**	26	26	25
7	Non-operational deposits (all counterparties)	**9,006**	8,665	7,911	7,296	**5,082**	4,953	4,633	4,372
8	Unsecured debt	**871**	1,020	1,029	1,049	**872**	1,021	1,029	1,049
9	Secured wholesale funding					**751**	625	435	258
10	Additional requirements	**23,996**	23,816	24,568	24,880	**15,826**	15,830	16,920	17,382
11	Outflows related to derivative exposures and other collateral requirements	**9,805**	9,883	11,109	11,634	**9,805**	9,883	11,109	11,634
13	Credit and liquidity facilities	**14,191**	13,933	13,459	13,246	**6,021**	5,947	5,811	5,748
14	Other contractual funding obligations	**5,350**	4,612	3,721	2,621	**910**	753	696	640
15	Other contingent funding obligations	**7,455**	7,050	6,803	6,747	**201**	197	200	207
16	Total cash outflows					**24,667**	24,418	24,965	24,955
Cash - inflows (£m)									
17	Secured lending (e.g. reverse repos)	**22,521**	21,568	20,878	20,930	**162**	158	126	131
18	Inflows from fully performing exposures	**946**	936	971	933	**896**	886	918	872
19	Other cash inflows	**7,675**	7,392	8,068	8,140	**7,676**	7,391	8,068	8,140
20	Total cash inflows	**31,142**	29,896	29,917	30,003	**8,734**	8,435	9,112	9,143
UK-20c	Inflows subject to 75% cap	**30,042**	28,650	28,478	28,427	**8,734**	8,435	9,112	9,143
Total adjusted value									
UK-21	Liquidity buffer (£m)					**26,830**	26,787	26,353	26,227
22	Total net cash outflows (£m)					**15,933**	15,983	15,853	15,812
23	Liquidity coverage ratio (%)					**169%**	168%	167%	166%

LIQUIDITY (Continued)

LIQB: Qualitative information on LCR

The Bank's LCR disclosure (based on a simple average over the previous 12 months) was 169% at 31 December 2025. The increase of 1 percentage point from the prior quarter was primarily due to an increase in liquid assets from growth in customer deposits and wholesale funding, partially offset by an increase in lending. For 2025, the year-on-year increase in LCR is explained primarily by a decrease in net cash outflows, primarily from a reduction in outflows related to derivative exposures arising from historic market volatility, partially offset by increased wholesale funding outflows.

The Bank manages and monitors funding and liquidity risks in accordance with internal risk appetite, strategy and regulatory requirements, including maintaining diversified funding sources. The Bank's funding sources include a range of wholesale unsecured funding, across a diverse range of products and counterparties. Funding concentration by counterparty, currency and tenor is monitored on an ongoing basis and where concentrations do exist, these are managed as part of the planning process and limited by the internal funding and liquidity risk monitoring framework, with analysis regularly provided to senior management.

The liquidity buffer consists almost entirely of Level 1 assets. The majority of Level 1 assets are held as central bank reserves, with the remaining balance of Level 1 assets primarily held as government bonds.

The Bank's outflows related to derivative exposures and other collateral requirements include outflows for potential deterioration in credit rating and for the impact of an adverse market scenario on derivatives transactions. Also included are outflows on derivative contracts that have offsetting inflows recorded in 'other cash inflows'.

The Bank's liquidity risk management framework covers currency liquidity risk and ensures the currency denomination of LCR liquid assets is consistent with the distribution of net currency liquidity outflows. Granular LCR risk appetites by significant currency are set and monitored across tenors at Bank committee level.

LIQUIDITY (Continued)

LIQ2: Net stable funding ratio

		Unweighted value by residual maturity				
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value
Available stable funding (ASF) Items		**£m**	**£m**	**£m**	**£m**	**£m**
1	**Capital items and instruments**	**3,238**	**153**	—	**3,344**	**6,581**
2	Own funds	**3,238**	**153**	—	**3,344**	**6,581**
3	Other capital instruments		—	—	—	—
4	**Retail deposits**		**7,718**	**114**	**11**	**7,059**
5	Stable deposits		—	—	—	—
6	Less stable deposits		**7,718**	**114**	**11**	**7,059**
7	**Wholesale funding:**		**48,978**	**9,167**	**4,594**	**17,508**
8	Operational deposits		**99**	—	—	**50**
9	Other wholesale funding		**48,879**	**9,167**	**4,594**	**17,458**
10	**Interdependent liabilities**		—	—	—	—
11	**Other liabilities:**	—	**3,685**	—	**150**	**150**
12	NSFR derivative liabilities	—				
13	All other liabilities and capital instruments not included in the above categories		**3,685**	—	**150**	**150**
14	**Total available stable funding (ASF)**					**31,298**
Required stable funding (RSF) Items						
15	**Total high-quality liquid assets (HQLA)**					**1,613**
UK-15a	**Assets encumbered for more than 12m in cover pool**		—	—	—	—
16	**Deposits held at other financial institutions for operational purposes**		—	—	—	—
17	**Performing loans and securities:**		**29,151**	**7,274**	**12,918**	**17,068**
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		**21,614**	**2,582**	**1,270**	**2,561**
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		**6,681**	**4,457**	**8,791**	**11,567**
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		**656**	**116**	**1,175**	**1,385**
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		—	—	—	—
22	Performing residential mortgages, of which:		—	—	**1,167**	**992**
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		—	—	—	—
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		**200**	**119**	**515**	**563**
25	**Interdependent assets**		—	—	—	—
26	**Other assets:**	**13,058**	**1,652**	—	**209**	**3,892**
27	Physical traded commodities				—	—
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs			**2,324**		**1,975**
29	NSFR derivative assets			**1,232**		**1,233**
30	NSFR derivative liabilities before deduction of variation margin posted			**9,502**		**475**
31	All other assets not included in the above categories		**1,652**	—	**209**	**209**
32	**Off-balance sheet items**		**21,710**	—	—	**927**
33	**Total RSF**					**23,500**
34	**Net Stable Funding Ratio (%)**					**133%**

REMUNERATION

REMA: Remuneration Policy

This section discloses information relating to the Lloyds Banking Group's remuneration policies, structure and governance. Lloyds Bank Corporate Markets plc (LBCM) is a subsidiary company of Lloyds Banking Group (LBG), and as such fully adopts the remuneration principles of the wider banking group. The remuneration principles and practices detailed in the Directors' Remuneration Report (DRR) in the Lloyds Banking Group plc Annual Report and Accounts 2025 on pages 98 to 133 apply to MRTs and non-MRTs in the same way as to the Group Executive Directors (other than where noted in the DRR).

LBG has applied the Remuneration Part of the PRA's Rulebook, and SYSC 19 of the Financial Conduct Authority's Handbook as well as associated guidance, to determine which colleagues should be identified as MRTs. MRTs are colleagues who are considered to have a material impact on the Bank's Group's risk profile, and include, but are not limited to:

- Board Executive Directors, Board Non-Executive Directors and members and attendees of the Executive Committee and their respective executive level direct reports.
- Business and Function Heads and their respective direct reports. Senior Management Function (SMF) holders and certain Certified roles
- Other highly remunerated individuals whose activities could have a material impact on the Group's risk profile.

Remuneration Policy

LBCM's remuneration practices and policies are overseen by the LBCM Remuneration Committee (Committee). Further information on the Committee's purpose, responsibilities and composition is included in the Lloyds Bank Corporate Markets plc Annual Report and Accounts. The Committee met 5 times during 2025. The Committee has not appointed any remuneration advisers.

The overarching purpose of the Committee is to oversee the design of, and to recommend to the Board an overall remuneration policy that is aligned with its long-term business strategy, its business objectives, its risk appetite, purpose, and values, and the long-term interests of LBCM.

The remuneration policy governs all aspects of remuneration and applies to all colleagues, contractors, seconded and temporary staff, including MRTs, in all entities and subsidiaries in LBCM, including wholly owned overseas businesses.

The Committee reviews the policy annually and monitors the level and structure of remuneration for Executive Directors, members of the Executive Committee, senior risk and compliance officers, high earners and any other MRTs. No material changes were made to the policy in 2025.

Governance and Risk Management

An essential component of the approach to remuneration is the governance process that underpins it. This ensures that the policy is robustly applied and risk is managed appropriately.

In addition to setting the overall remuneration policy and philosophy, the Committee ensures that colleagues who could have a material impact on the risk profile are not rewarded for excessive risk taking but provided with appropriate incentives that recognise their individual contribution to the success of the organisation.

A strong risk governance model is in place which manages against LBG's appetite for risk. The risk types considered are set out in the Risk Management Framework and include for example, conduct risk, operational risk, and regulatory and legal risk.

The Committee ensures that the aggregate variable remuneration for all colleagues is appropriate and balanced with the interests of shareholders and all other stakeholders.

Design and structure of Remuneration

When establishing the remuneration policy and associated frameworks, LBG is required to consider its size, organisation and the nature, scope and complexity of its activities. For the purpose of remuneration regulation, LBCM is treated as a proportionality level 1 firm and therefore subject to the more stringent remuneration rules.

Remuneration is delivered via a combination of fixed and variable remuneration. Fixed remuneration reflects the role, responsibility and experience of a colleague. Variable remuneration is based on an assessment of individual, business area, LBCM performance and the performance of LBG. The mix of variable and fixed remuneration is driven by seniority and role. Taking into account the expected value of awards, the performance-related elements of pay make up a considerable proportion of the total remuneration package for MRTs, whilst maintaining an appropriate balance between the fixed and variable elements.

LBG has set a variable to fixed pay ratio for its MRTs of up to 8:1.

Remuneration for control functions is set in relation to benchmark market data to ensure that it is possible to attract and retain staff with the appropriate knowledge, experience and skills. An appropriate balance between fixed and variable compensation supports this approach. Generally, control function staff receive a higher proportion of fixed remuneration than other colleagues. Particular attention is paid to ensure remuneration for control function staff is linked to the performance of their function and independent from the business areas they control.

A summary of the different remuneration elements for Board members, Executive Directors, Group Executive Committee members, others MRTs and all other employees is included in the DRR. Further information on the Group Performance Share and Role Based Allowances is provided under "Link between Pay and Performance" below.

Link between Pay and Performance

The approach to reward is intended to provide a clear link between remuneration and delivery of LBCM's purpose and strategy. To this end, the performance management process has been developed, with input from LBG Group Risk, to ensure there is a clear alignment between award outcomes and individual contribution, performance, behaviours and growth.

Group Performance Share

LBCM operates an annual discretionary bonus plan (the Group Performance Share or GPS) designed to reflect specific goals linked to the performance of LBCM and LBG. These are captured in our balanced scorecard which provides transparency on how performance directly aligns with remuneration outcomes for colleagues.

REMUNERATION (Continued)

All MRTs (excluding non-executive directors) participate in the GPS. Individual GPS awards are based upon individual financial and non-financial performance, including risk management performance, as well as LBG's overall results. LBG total risk-adjusted GPS pool outcome is determined by the LBG Remuneration Committee annually having considered a range of factors including:

- LBG and LBCM's financial and non-financial performance;
- variable reward market positioning;
- collective and discretionary adjustments to reflect risk matters and/or other factors.

The LBG Remuneration Committee receives input from the Chief Risk Officer, approved by the Board Risk Committee, to ensure that the GPS outcome properly reflects risk considerations including whether the proposed GPS outcome and performance assessments adequately reflect the risk appetite and framework of LBG; whether it takes account of current and future risks; and whether any further risk adjustment is recommended.

In addition, the LBG Remuneration Committee and/or Board Risk Committee may also use Performance adjustment which may result in a reduction of up to 100 per cent of the discretionary annual bonus (GPS) opportunity for the relevant period. It can be applied on a collective or individual basis. When considering collective adjustment, a report is submitted to the LBG Group Committee regarding any adjustments required to balanced scorecards or the overall GPS outcome to reflect in year or prior year risk matters.

Further details on the circumstances in which Performance adjustment are considered are set out in LBG's DRR.

Role-based allowance

Role based allowances are delivered monthly in cash. The purpose of the role-based allowance is to ensure that total fixed remuneration is commensurate with the role, responsibilities and experience of the individual; provides a competitive reward package; and is appropriately balanced with variable remuneration, in line with regulatory requirements.

Role-based allowance can be amended or withdrawn in the following circumstances:

- to reflect a change in role;
- to reflect leave policy (e.g. parental leave or sickness absence);
- termination of employment;
- if the award would be inconsistent with any applicable legal, regulatory or tax requirements or market practice.

Role based allowances are generally only applicable to the most senior colleagues, including those performing a Senior Management Function role.

Deferral, vesting and performance adjustment

For all MRTs, variable remuneration is subject to deferral and post-vesting holding periods in line with the regulatory requirements. At least 40 per cent of MRT variable remuneration is deferred and at least 50 per cent is delivered in Lloyds Banking Group Shares.

Any deferred variable remuneration amount may be subject to performance adjustment (malus) in accordance with LBG's Deferral and Performance Adjustment Policy.

100 per cent of MRTs' variable remuneration can be recovered from colleagues up to seven years after the date of award in the case of a material or severe risk event (clawback). For Senior Management Function holders, this period may be extended to ten years where there is an ongoing internal or regulatory investigation. Clawback may be used alongside other performance adjustment processes.

The application of clawback will generally be considered when:

- there is reasonable evidence of employee misbehaviour or material error; or
- there is material failure of risk management at LBG, business area, division and/or business unit level.

De Minimis

In 2025, Lloyds Bank Corporate Markets relied on the 'de minimis' derogation under Sections 12.2(2) and 15.A1 (3) of the PRA Rulebook (Remuneration Part), and the equivalent provisions of SYSC 19D, in respect of the number of individuals (including non-executive directors) as detailed in the table below, and to each of whom Sections 12.2 and 15.15 to 15.19 of the PRA Rulebook (Remuneration Part) (and the equivalent provisions of SYSC 19D) therefore did not apply.

De-Minimis	Total Fixed Remuneration (£)	Total Variable Remuneration (£)	Total Remuneration (£)
18	3,822,617	165,919	3,988,536

Guaranteed variable remuneration

Guarantees, such as lost opportunity awards made to compensate for bonus awards that have been forfeited upon resignation, may only be offered in exceptional circumstances to new hires for the first year of service and in accordance with regulatory requirements.

Any awards made to new hires in the form of a buyout award to compensate them for unvested variable remuneration they forfeit on leaving their previous employment will be subject to appropriate retention, deferral, performance and clawback arrangements in accordance with applicable regulatory requirements.

Retention awards may be made to existing colleagues in limited circumstances and are subject to prior regulatory approval in line with applicable regulatory requirements.

Termination payments

It is LBG's policy that termination payments are either paid on a phased basis, mitigated if alternative employment is secured, or paid as a lump sum on termination, dependent on individual contractual terms.

Generally, on termination of employment, unvested Lloyds Banking Group Performance Share awards, Lloyds Banking Group Ownership Share awards, Long Term Share Plan awards, Long Term Incentive Plan awards and other rights to payments will lapse except where termination falls within redundancy, retirement/ill health, injury, permanent disability, death, change of control or merger or another reason where the Lloyds Banking Group Remuneration Committee determines that the executive should be treated as a good leaver.

Termination payments comply with the Lloyds Banking Group's contractual, legal and regulatory requirements and are made in such a way as to ensure they do not reward failure or misconduct and reflect performance over time.

Remuneration information relating to the Bank's MRTs are provided in the tables below in accordance with Article 450(1) CRR.

REMUNERATION (Continued)

REM1: Remuneration awarded for the financial year

		MB Supervisory function	MB Management function	Other senior management[1]	Other identified staff
Fixed remuneration[2]	Number of identified staff	8	2	10	76
	Total fixed remuneration	£886,321	£1,031,880	£3,982,794	£31,999,480
	Of which: cash-based	£886,321	£897,287	£3,511,030	£26,163,590
	Of which: shares or equivalent ownership interests	—	—	—	£2,252,635
	Of which: share-linked instruments or equivalent non-cash instruments	—	—	—	—
	Of which: other instruments	—	—	—	—
	Of which: other forms	—	£134,593	£471,764	£3,583,255
Variable remuneration	Number of identified staff	—	2	10	71
	Total variable remuneration	—	£1,103,000	£3,563,899	£35,839,101
	Of which: cash-based	—	£551,500	£1,774,449	£11,202,153
	Of which: deferred	—	—	—	—
	Of which: shares or equivalent ownership interests	—	£551,500	£1,789,450	£24,636,948
	Of which: deferred	—	£465,800	£1,524,939	£22,266,652
	Of which: share-linked instruments or equivalent non-cash instruments	—	—	—	—
	Of which: deferred	—	—	—	—
	Of which: other instruments	—	—	—	—
	Of which: deferred	—	—	—	—
	Of which: other forms	—	—	—	—
	Of which: deferred	—	—	—	—
Total remuneration		£886,321	£2,134,880	£7,546,693	£67,838,581

[1] Other Senior Management is defined as the LBCM Executive Committee members/attendees (excluding LBCM Executive Directors and Non-Executive Directors).
[2] Fixed Remuneration is calculated using annualised salary.

REMUNERATION (Continued)

REM2: Special payments to staff whose professional activities have a material impact on institutions risk profile (identified staff)

	MB Supervisory function	MB Management function	Other senior management	Other identified staff
Guaranteed variable remuneration awards				
Guaranteed variable remuneration awards - Number of identified staff	—	—	—	—
Guaranteed variable remuneration awards -Total amount	—	—	—	—
Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	—	—	—	—
Severance payments awarded in previous periods, that have been paid out during the financial year				
Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	—	—	—	—
Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount	—	—	—	—
Severance payments awarded during the financial year				
Severance payments awarded during the financial year - Number of identified staff	**1**	—	—	**1**
Severance payments awarded during the financial year - Total amount	**£19,414**	—	—	**£3,150**
Of which paid during the financial year	—	—	—	**£3,150**
Of which deferred	—	—	—	—
Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	—	—	—	—
Of which highest payment that has been awarded to a single person	**£19,414**	—	—	**£3,150**

REMUNERATION (Continued)

REM3: Deferred remuneration

Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e.changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
MB Supervisory function[1]								
Cash-based	—	—	—	—	—	—	—	—
Shares or equivalent ownership interests	—	—	—	—	—	—	—	—
Share-linked instruments or equivalent non-cash instruments	—	—	—	—	—	—	—	—
Other instruments	—	—	—	—	—	—	—	—
Other forms	—	—	—	—	—	—	—	—
MB Management function								
Cash-based	**£732,503**	**£47,543**	**£684,960**	—	—	—	**£47,543**	—
Shares or equivalent ownership interests	**£2,488,965**	**£591,745**	**£1,897,220**	—	—	**£1,489,097**	**£8,004**	**£583,742**
Share-linked instruments or equivalent non-cash instruments	—	—	—	—	—	—	—	—
Other instruments	—	—	—	—	—	—	—	—
Other forms	—	—	—	—	—	—	—	—
Other senior management								
Cash-based	**£2,016,877**	**£172,188**	**£1,844,689**	—	—	—	**£172,188**	—
Shares or equivalent ownership interests	**£4,060,163**	**£1,178,640**	**£2,881,523**	—	—	**£2,261,660**	**£94,899**	**£1,083,742**
Share-linked instruments or equivalent non-cash instruments	**£2,987**	**£1,494**	**£1,493**	—	—	**£1,172**	**£1,494**	—
Other instruments	—	—	—	—	—	—	—	—
Other forms	—	—	—	—	—	—	—	—
Other identified staff								
Cash-based	**£8,259,498**	**£1,664,127**	**£6,595,371**	—	—	—	**£1,329,894**	**£334,233**
Shares or equivalent ownership interests	**£54,190,585**	**£9,156,024**	**£45,034,561**	—	—	**£35,346,893**	**£934,596**	**£8,221,428**
Share-linked instruments or equivalent non-cash instruments	**£2,217,634**	**£654,894**	**£1,562,740**	—	—	**£1,226,569**	**£271,195**	**£383,700**
Other instruments	—	—	—	—	—	—	—	—
Other forms	—	—	—	—	—	—	—	—
Total amount	**£73,969,212**	**£13,466,655**	**£60,502,557**	—	—	**£40,325,391**	**£2,859,812**	**£10,606,844**

[1] Non-Executive Directors are not eligible to receive variable remuneration.

REMUNERATION (Continued)

REM4: Remuneration of 1 million EUR or more per year[1,2]

EUR	Identified staff that are high earners as set out in Article 450(i) CRR
1 000 000 to below 1 500 000	7
1 500 000 to below 2 000 000	4
2 000 000 to below 2 500 000	1
2 500 000 to below 3 000 000	—
3 000 000 to below 3 500 000	—
3 500 000 to below 4 000 000	—
4 000 000 to below 4 500 000	—
4 500 000 to below 5 000 000	—
5 000 000 to below 6 000 000	—
6 000 000 to below 7 000 000	—
7 000 000 to below 8 000 000	—
8 000 000 to below 9 000 000	—

1 Converted to Euros using £1: €1.14233 (the exchange rate used by the European Commission for financial programming for December 2025). The exchange rate used for 2024 was £1: €1.20149.
2 Total number of Material Risk Takers (excluding SMFs of the Lloyds Banking Group) earning more than €1m has increased from 10 in 2024 to 12 in 2025.

REM5: Information on remuneration of staff whose professional activities have a material impact on institutions risk profile (identified staff)

	Management body remuneration			Business areas						
	MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
Total number of identified staff										95.8
Of which: members of the MB	8	2	10							
Of which: other senior management				6	—	—	2	2	—	
Of which: other identified staff				38.8	—	—	2	28	7	
Total remuneration of identified staff	£886,321	£2,134,880	£3,021,201	£32,178,830	—	—	£1,473,519	£12,259,062	£29,473,863	
Of which: variable remuneration	—	£1,103,000	£1,103,000	£15,217,577	—	—	£459,500	£3,610,108	£20,115,815	
Of which: fixed remuneration	£886,321	£1,031,880	£1,918,201	£16,961,253	—	—	£1,014,019	£8,648,954	£9,358,048	

APPENDIX 1: EXCLUDED TEMPLATES

Pillar 3 templates that are required to be disclosed annually but have not been included in this document are listed in the table below along with the reason for exclusion.

PRA reference	Template name	Reason for exclusion
INS1	Insurance participations	Not applicable to the Bank
INS2	Financial conglomerates information on own funds and capital adequacy ratio	Not applicable to the Bank
CR2a	Changes in the stock of non-performing loans and advances and related net accumulated recoveries	Threshold for disclosure not met
CQ2	Quality of forbearance	Threshold for disclosure not met
CQ6	Collateral valuation – loans and advances	Threshold for disclosure not met
CQ7	Collateral obtained by taking possession and execution processes	No collateral taken into possession is recognised on the balance sheet
CQ8	Collateral obtained by taking possession and execution processes – vintage breakdown	No collateral taken into possession is recognised on the balance sheet and threshold for disclosure is not met
CR7	IRB – Effect on the RWAs of credit derivatives used as CRM techniques	Excluded on materiality basis
CR10.3	Specialised lending - Object finance (Slotting approach)	Not applicable to the Bank
CR10.4	Specialised lending - Commodities finance (Slotting approach)	Not applicable to the Bank
CR10.5	Equity exposures subject to the simple risk weight method	Not applicable to the Bank
CCR7	RWA flow statements of CCR exposures under the IMM	Not applicable to the Bank

FORWARD-LOOKING STATEMENTS

This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and section 27A of the US Securities Act of 1933, as amended, with respect to the business, strategy, plans and/or results of Lloyds Bank Corporate Markets plc together with its subsidiaries (the Group) and its current goals and expectations. Statements that are not historical or current facts, including statements about the Group's or its directors' and/or management's beliefs and expectations, are forward-looking statements. Words such as, without limitation, 'believes', 'achieves', 'anticipates', 'estimates', 'expects', 'targets', 'should', 'intends', 'aims', 'projects', 'plans', 'potential', 'will', 'would', 'could', 'considered', 'likely', 'may', 'seek', 'estimate', 'probability', 'goal', 'objective', 'deliver', 'endeavour', 'prospects', 'optimistic' and similar expressions or variations on these expressions are intended to identify forward-looking statements. These statements concern or may affect future matters, including but not limited to: projections or expectations of the Group's future financial position, including profit attributable to shareholders, provisions, economic profit, dividends, capital structure, portfolios, net interest margin, capital ratios, liquidity, risk-weighted assets (RWAs), expenditures or any other financial items or ratios; litigation, regulatory and governmental investigations; the Group's future financial performance; the level and extent of future impairments and write-downs; the Group's ESG targets and/or commitments; statements of plans, objectives or goals of the Group or its management and other statements that are not historical fact and statements of assumptions underlying such statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend upon circumstances that will or may occur in the future. Factors that could cause actual business, strategy, targets, plans and/or results (including but not limited to the payment of dividends) to differ materially from forward-looking statements include, but are not limited to: general economic and business conditions in the UK and internationally (including in relation to tariffs); imposed and threatened tariffs and changes to global trade policies; acts of hostility or terrorism and responses to those acts, or other such events; geopolitical unpredictability; the war between Russia and Ukraine; the escalation of conflicts in the Middle East; the tensions between China and Taiwan; political instability including as a result of any UK general election; market-related risks, trends and developments; exposure to counterparty risk; the impact of any regulatory and/or legislative divergence between the UK and EU as a result of the exit by the UK from the European Union (EU) and the effects of the EU-UK Trade and Cooperation Agreement; the ability to access sufficient sources of capital, liquidity and funding when required; changes to the Group's credit ratings; fluctuations in interest rates, inflation, exchange rates, stock markets and currencies; volatility in credit markets; volatility in the price of the Group's securities; tightening of monetary policy in jurisdictions in which the Group operates; natural pandemic and other disasters; risks concerning borrower and counterparty credit quality; changes in laws, regulations, practices and accounting standards or taxation; changes to regulatory capital or liquidity requirements and similar contingencies; the policies and actions of governmental or regulatory authorities or courts together with any resulting impact on the future structure of the Group; risks associated with the Group's compliance with a wide range of laws and regulations; assessment related to resolution-planning requirements; risks related to regulatory actions which may be taken in the event of a bank or Group failure; exposure to legal, regulatory or competition proceedings, investigations or complaints; failure to comply with anti-money laundering, counter-terrorist financing, anti-bribery and sanctions regulations; failure to prevent or detect any illegal or improper activities; operational risks including risks as a result of the failure of third-party suppliers; conduct risk; risks related to new and emerging technologies, including artificial intelligence; technological changes and risks to the security of IT and operational infrastructure, systems, data and information resulting from increased threat of cyber and other attacks; technological failure; inadequate or failed internal or external processes or systems; risks relating to ESG matters, such as climate change (and achieving climate change ambitions) and decarbonisation, including the Group's ability along with the government and other stakeholders to measure, manage and mitigate the impacts of climate change effectively, and human rights issues; the impact of competitive conditions; failure to attract, retain and develop high-calibre talent; the ability to achieve strategic objectives; the ability to derive cost savings and other benefits including, but without limitation, as a result of any acquisitions, disposals and other strategic transactions; inability to capture accurately the expected value from acquisitions; assumptions and estimates that form the basis of the Group's financial statements; and potential changes in dividend policy. A number of these influences and factors are beyond the control of the Group or Lloyds Banking Group plc. Please refer to the Base Prospectus for the Group's Euro Medium-Term Note Programme and the latest Annual Report on Form 20-F filed by Lloyds Banking Group plc with the US Securities and Exchange Commission (the SEC), which is available on the SEC's website at www.sec.gov, for a discussion of certain factors and risks. Lloyds Banking Group plc may also make or disclose written and/or oral forward-looking statements in other written materials and in oral statements made by the directors, officers or employees of Lloyds Banking Group plc to third parties, including financial analysts. Except as required by any applicable law or regulation, the forward-looking statements contained in this document are made as of today's date, and the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document whether as a result of new information, future events or otherwise. The information, statements and opinions contained in this document do not constitute a public offer under any applicable law or an offer to sell any securities or financial instruments or any advice or recommendation with respect to such securities or financial instruments.

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