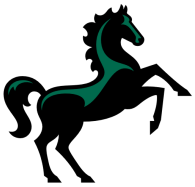
Lloyds Bank Corporate Markets plc

2026 Half-Year Results



LLOYDS

Non-ring-fenced bank

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Definitions

Lloyds Bank Corporate Markets plc (the Bank) and its subsidiary undertakings (together the Group). References within this document to LBCM refer to the Group as defined here. Lloyds and Lloyds Bank are trading names of Lloyds Bank Corporate Markets plc. Lloyds Banking Group plc is the ultimate parent company of LBCM and is referred to as LBG in this document.

Connecting the UK and Lloyds Banking Group with the world

LBCM's purpose is Helping Britain Prosper

HALF-YEAR STRATEGIC PROGRESS

In the first half of 2026, Lloyds Bank Corporate Markets has delivered a good financial performance, underpinned by a continued focus on our clients. Achieved against a backdrop of sustained macroeconomic and geopolitical uncertainty, our performance reflects the strength of our client franchise and the increasing depth of our international presence.

We have continued to build momentum across the business, supported by disciplined execution and careful management of risk. Our ongoing investment is extending our capabilities and enhancing how we serve clients across key markets, while strengthening the resilience of our operations and positioning the business to deliver sustainable growth.

Total income was £597 million in the period (half-year to 30 June 2025: £513 million) and profit before tax was £304 million (half-year to 30 June 2025: £266 million).

Our strategy

Guided by our purpose, LBCM is successfully completing its 2022 to 2026 strategy of deepening client relationships, expanding our institutional coverage and driving collaboration opportunities across LBG. Core to this has been investing in our people and systems which has driven sustainable income growth and returns.

Our strategic pillars focus on **scaling our Global Markets franchise**, **strengthening our international presence**, **expanding our Global Markets proposition**, and **growing and digitising our Crown Dependencies business.** The impact from these strategic pillars is reflected in the performance of our businesses in 2026.

Accelerate 2030: A focused, modern, client centric business

Our accelerate 2030 strategy, as part of Corporate & Institutional Banking (CIB), builds upon the successful delivery of our current purpose-driven strategy. From a position of strength we will leverage our clear strategic differentiators and strong financial performance to build disciplined capabilities to meet more client needs and deepen relationships.

Accelerate 2030 is centred on three key strategic priorities, which will unlock the next phase of growth and sustainable value creation:

- **Grow:** enhance capabilities and presence to meet more client needs and deepen relationships - focused international expansion supporting inbound and outbound client activity in the US whilst broadening our European offering.
- **Innovate:** launch digital asset solutions to support currencies, tokenised collateral and market-making.
- **Simplify:** invest in technology infrastructure and data capabilities to reduce friction and risk, drive efficiency and modernise the offering with AI-enabled insights.

Strategic delivery in our businesses

Global Markets
in the UK, US and Europe

Integrated trading, financing, and risk management solutions for corporate & institutional clients

Our Global Markets business has continued to advance in 2026, building on strong momentum from 2025. We delivered a **c23% year-on-year growth in foreign exchange volumes** and were awarded **'Best Bank in FX trading and FX service for corporates in Europe'** (UK Market) by Crisil Coalition Greenwich[1].

LBCM achieved **first ranking in sterling Debt Capital Markets**[2] and **G3 currencies Structured Finance**[3]. Conventional Gilt market share momentum continued in 2026 and in addition we have made significant progress in strengthening our digital assets proposition by leveraging AI to expand our FX capabilities.

In North America we continued to advance our strategy whilst enhancing our trading capabilities to deepen our client relationships.

During the first half of 2026, LBCM expanded its European footprint with a **new Luxembourg branch**, leveraging the country's position as a leading hub for international funds, strengthening our presence and support for clients across Europe. We also supported LBG's sustainable finance ambitions by facilitating over £1.5bn of labelled bond issuance, including advising on a refreshed framework and the launch of a client's inaugural Sustainability Bond.

[1] Coalition Greenwich Voice of Client 2025 Europe Corporate Foreign Exchange Study

[2] LSEG workspace; UK issuer Debt Capital Markets; Investment-grade bonds (excluding Sovereign, supranational and agency)

[3] LSEG workspace; UK Issuer Structured Finance (excluding collateralised debt obligations)

Consumer & Commercial Banking
in the Crown Dependencies

International Private Banking, Consumer Lending & Relationships, and Fiduciaries, Funds & Corporates

Ongoing strategic investment in our Consumer & Commercial Banking business in the Crown Dependencies is supporting strong year-on-year income growth. Through transformation of our technology we continue to enhance client journeys, delivering meaningful advancements across our offerings. We also supported a multi-bank green use-of-proceeds finance facility.

LBCM at a glance

LBCM provides a first-class banking, financing and risk management proposition, underpinned by strong customer service. LBCM is the non-ring-fenced bank of LBG, part of the Corporate and Institutional Banking (CIB) business and core to LBG's growth strategy.

Our diversified business model supports our purpose through connecting customers (large corporates, financial institutions and commercial and retail customers in the Crown Dependencies) with a wide range of products including risk management, commercial lending, community banking, international private banking, bonds and structured finance, trade and working capital management and sustainability-linked financing. All served via hubs in the UK, Jersey, Guernsey, the Isle of Man, Luxembourg, the USA and Germany.

REVIEW OF PERFORMANCE

Income statement

	Half-year to 30 Jun 2026 £m	Half-year to 30 Jun 2025 £m	Movement £m	Half-year to 31 Dec 2025 £m	Movement £m
Net interest income	297	161	136	282	15
Net fee and commission income	153	138	15	133	20
Net trading income	147	256	(109)	216	(69)
Other operating (losses)/gains	–	(42)	42	3	(3)
Total income	597	513	84	634	(37)
Operating expenses	(289)	(246)	(43)	(264)	(25)
Impairment charge	(4)	(1)	(3)	–	(4)
Profit before tax	304	266	38	370	(66)
Tax expense	(26)	(56)	30	(39)	13
Profit after tax	278	210	68	331	(53)

For the six months to 30 June 2026, profit after tax was £278 million, an increase of £68 million versus the first six months of 2025. An increase in total income was partially offset by increased operating expenses and a small impairment charge during the period. This represents good financial performance in the first half of the year in light of sustained macroeconomic and geopolitical uncertainty.

Net interest income (NII) is up £136 million, or 84%, versus the first half of 2025. NII was up in the period as a result of an increase in our lending balances and a reduction in the cost of funding for the global markets business, partially offset by lending margin compression. Additionally, the first half of 2026 benefited from a significant reduction in interest expense as a result of the regulatory capital restructure in June 2025, when compared to the prior period.

Our global markets business has faced into challenging international markets and an unpredictable global economic and political landscape in 2026. **Net trading income** was £147 million in the 6 months to 30 June 2026 and underlying business performance has remained resilient including a c23% growth in FX volumes. A one-off charge was recognised in the period of £47 million relating to a fair value adjustment on a legacy asset as a result of the impact of the draft Commonhold and Leasehold Reform Bill.

Net fee and commission income has increased by 11% year-on-year, generating £153 million in the period reflecting higher income across both trading and lending products. Growth was driven by strong market activity in debt and bond issuances and higher lending-related fee generation. **Other operating losses** in 2025 relate to a one-off charge from the regulatory capital restructure.

LBCM has continued to invest in its core systems and control environment as part of our growth strategy while ensuring continued cost management discipline. As a result **operating expenses** have increased in 2026 by £43 million to £289 million in the first 6 months. The **impairment charge** of £4 million reflects a continuation of the low charge trend seen in previous periods.

A **tax expense** of £26 million was recorded which is analysed in note 5.

REVIEW OF PERFORMANCE (continued)

Balance sheet assets

Total assets were £103,215 million at 30 June 2026, an increase of £10,489 million since 31 December 2025.

	At 30 Jun 2026 £m	At 31 Dec 2025 £m	Movement £m
Cash and balances at central banks	19,496	18,941	555
Financial assets at fair value through profit or loss	29,103	26,009	3,094
Derivative financial instruments	19,809	18,314	1,495
Financial assets at amortised cost	30,394	28,540	1,854
Other assets	4,413	922	3,491
Total assets	103,215	92,726	10,489

This overall increase in total assets is driven predominantly by **financial assets at fair value through profit or loss** where gilts balances increased in the period; **financial assets at amortised cost** reflecting continued growth in the customer lending portfolio; and **other assets** which relates to trading settlement balances falling due over the half-year.

Cash and balances at central banks increased reflecting higher deposits with the Bank of England and the Federal Reserve as part of the ongoing management and development of LBCM's liquid asset portfolio. **Financial assets at amortised cost** includes loans and advances to banks of £1,108 million, loans and advances to customers of £21,176 million and reverse repurchase agreements of £7,136 million. **Financial assets at fair value through profit or loss** includes trading reverse repurchase agreements and government gilts. The **derivative financial instruments balance** increased as a result of changes in the fair value of foreign exchange and interest rate derivatives.

Balance sheet liabilities

Total liabilities were £95,528 million at 30 June 2026, compared to £85,124 million at 31 December 2025.

	At 30 Jun 2026 £m	At 31 Dec 2025 £m	Movement £m
Total deposits	37,478	34,462	3,016
Due to fellow LBG undertakings	582	532	50
Financial liabilities at fair value through profit or loss	27,569	24,182	3,387
Derivative financial instruments	13,703	12,432	1,271
Debt securities in issue at amortised cost	11,764	12,583	(819)
Other liabilities	4,432	933	3,499
Total liabilities	95,528	85,124	10,404

This increase in total liabilities arises mainly from movements during the period in total deposits, repurchase agreements and other liabilities which relates to trading settlement balances falling due over the half-year.

Total deposits increased by £3,016 million and comprise deposits from banks of £2,818 million, customer deposits of £33,859 million and repurchase agreements of £801 million. The increase was primarily driven by growth in customer deposits of £2,613 million due to the strength of our client proposition.

Financial liabilities at fair value through profit or loss increased, reflecting higher repurchase agreement activity during the period. **Derivative financial instruments** also increased due to changes in the fair value of foreign exchange and interest rate contracts.

Debt securities in issue at amortised cost comprise commercial paper, certificates of deposit and Euro Medium Term Notes. Balances decreased during the period, primarily reflecting the natural maturity of issuances and the routine management of LBCM's funding profile.

REVIEW OF PERFORMANCE (continued)

Balance sheet equity

Total equity at 30 June 2026 was £7,687 million (31 December 2025: £7,602 million).

	At 30 Jun 2026 £m	At 31 Dec 2025 £m	Movement £m
Share capital	370	370	–
Other reserves	(163)	(135)	(28)
Retained profits	3,335	3,222	113
Ordinary shareholders' equity	3,542	3,457	85
Other equity instruments	4,145	4,145	–
Total equity	7,687	7,602	85

Total equity in the period increased by £85 million to £7,687 million, with the movement in **retained profits** representing profit in the period after tax, attributable to ordinary shareholders.

The movement in **other reserves** relates to the cash flow hedging reserve, representing the fair value movements and transfers to income statement on the Bank's structural hedge.

Regulatory capital

The capital position of Lloyds Bank Corporate Markets plc is presented on an unconsolidated basis.

	At 30 Jun 2026 £m	At 31 Dec 2025 £m	Movement £m
Common equity tier 1 capital	3,260	3,085	175
Total tier 1 capital	7,311	7,137	174
Total capital resources	7,311	7,137	174
Risk-weighted assets	24,223	22,442	1,781
CET1 ratio	13.5%	13.7%	(0.2)pp
UK leverage ratio	8.0%	8.4%	(0.4)pp

The Bank's common equity tier 1 (CET1) capital ratio reduced to 13.5% (31 December 2025: 13.7%). Profit for the half-year was partially offset by distributions on other equity instruments. Risk-weighted assets increased by £1,781 million to £24,223 million largely reflecting an increase in credit risk as a result of lending growth and an increase in market risk.

The Bank's UK leverage ratio decreased to 8.0% due to the increase in the total exposure measure, as a result of balance sheet growth, partially offset by the profit for the period.

REVIEW OF PERFORMANCE (continued)

Capital position

The Bank's capital position as at 30 June 2026 is presented in the table below.

	At 30 Jun 2026 £m	At 31 Dec 2025 £m
Common equity tier 1		
Shareholders' equity per unconsolidated balance sheet	3,482	3,413
Adjustment to retained earnings for foreseeable dividends	–	(50)
Cash flow hedging reserve	128	91
Debit valuation adjustment	(31)	(31)
	3,579	3,423
less: deductions from common equity tier 1		
Prudent valuation adjustment	(105)	(127)
Excess of expected losses over impairment provisions and value adjustments	(211)	(208)
Goodwill and other intangible assets	(3)	(3)
Common equity tier 1 capital	3,260	3,085
Additional tier 1		
Additional tier 1 instruments	4,145	4,145
Other adjustments	(94)	(93)
Total tier 1 capital	7,311	7,137
Total tier 2 capital	–	–
Total capital resources	7,311	7,137
Risk-weighted assets	24,223	22,442
Capital and leverage ratios		
Common equity tier 1 capital ratio	13.5%	13.7%
Tier 1 capital ratio	30.2%	31.8%
Total capital ratio	30.2%	31.8%
UK Leverage ratio	8.0%	8.4%

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks that could impact LBCM's ability to deliver its long-term strategic objectives and the approach to managing each risk are reviewed and reported to the Board Risk Committee regularly in alignment with the risk management framework. Further information regarding LBCM's principal risks and emerging risks is available in LBCM's 2025 annual report and accounts.

Our risk management framework

LBCM adopts the Lloyds Banking Group (LBG) risk management framework (RMF) supplemented with an addendum to reflect LBCM specific risk governance. The RMF defines a proportionate and materiality-based approach to risk management, and is the foundation for the delivery of effective and consistent risk control, providing proactive identification, active management and monitoring of LBCM's risks.

The RMF and the LBCM Addendum applies to the LBCM business across all legal entities and locations.

LBCM's risk appetite, principles, policies, standards, controls and reporting are regularly reviewed and updated to ensure they remain in line with regulation, law, corporate governance and industry good practice across all jurisdictions.

The RMF includes a methodology for setting consistent board-level risk appetite metrics, providing greater clarity and visibility of risk appetite. It also enables simplification and efficiency to support LBG and LBCM in achieving their strategic objectives. Risk appetite is defined as the type and aggregate level of risk LBCM is willing to take or accept in pursuit of its strategic objectives and business plan. As a separate legal group with its own Board, LBCM maintains its own risk appetite, which is aligned to the LBG approach but is adjusted to reflect the specific characteristics of LBCM's balance sheet and portfolio, including its international presence.

Governance is maintained through delegation of authority from the Board. Senior management are supported by a committee-based structure which is designed to ensure open challenge and enable effective Board engagement and decision-making. The Board and senior management play a vital role in shaping and embedding a supportive risk culture. Senior management articulates and leads by example reflecting the core risk values to which LBCM aspires.

Current thematic and emerging risks

External risks faced by LBCM may impact the success of delivering against LBCM's long-term strategic objectives. They include, but are not limited to, the uncertainties linked to the macroeconomic and geopolitical environment, such as the conflicts in Ukraine and Middle East, tariffs and barriers to trade, inflation, interest rates, and cost of living pressures. These could also affect the financial condition of LBCM's customers, clients and counterparties, particularly in vulnerable sectors.

In addition, LBCM continues to monitor and address current thematic risks that could have an adverse impact on its business model, financial conditions, operations and its ability to achieve financial targets. These are interconnected with potential outcomes that should one risk materialise, it could have an impact on other risks. They include, but are not limited to:

- The global uncertainty that continues to reshape the regulatory and operating environment. LBCM must navigate international regulations, sanctions and trade compliance while responding to the impacts of extreme weather events, financial market volatility and unexpected events, in order to manage the impacts to operations, customers and suppliers.
- The potential for disruption from supplier dependencies, infrastructure outages, or severe data loss which can significantly impact service delivery and trust.
- The evolving business models, workforce transformation and the need to attract and retain future-ready talent places pressure on organisational culture and capability.
- The pace of technological evolution including developments in AI, cloud computing and digital assets, is changing the financial landscape. Adoption of emerging technologies require balancing with the need to maintain digital sovereignty, protect against evolving cybercrime and uphold data privacy and ethical standards and is becoming increasingly complex.
- The evolving regulatory landscape, shifting expectations of regulatory bodies, and growing awareness of environmental and ethical responsibilities, could increase costs and prudential resource requirements for LBCM and result in changes to LBCM's legal and operating structure.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Principal risks

LBCM adopts the LBG event-based risk taxonomy as part of the risk management framework. There are 10 principal risks which are reviewed and reported regularly to the Board in alignment with the RMF.

Capital risk – The risk that an insufficient quantity or quality of capital is held to meet regulatory requirements or to support business strategy, an inefficient level of capital is held or that capital is inefficiently deployed across LBCM.

Climate risk – The risk from the impacts of climate change and the transition to net zero ('inbound risk'), or a result of LBCM's response to tackling climate change and supporting the transition to net zero ('outbound risk').

LBCM is aligned with LBG, its parent company, with the goal of achieving net zero by 2050 or sooner.

Compliance risk – The risk of financial penalties, regulatory censure, criminal or civil enforcement action or customer detriment as a result of failure to identify, assess, correctly interpret, comply with, or manage regulatory and/or legal requirements.

Conduct risk – The risk of LBCM activities, behaviours, strategy or business planning, having an adverse impact on outcomes for customers, undermining the integrity of the market or distorting competition, which could lead to regulatory censure, reputational damage or financial loss.

Credit risk – The risk that parties with whom LBCM has contracted fail to meet their financial obligations (on and off-balance sheet).

Economic crime risk – The risk that LBCM implements ineffective policies, systems, processes and controls to prevent, detect and respond to the risk of fraud and/or financial crime resulting in increased losses, regulatory censure/fines and/or adverse publicity in the UK or other jurisdictions in which LBCM operates.

Liquidity risk – The risk that LBCM does not have sufficient financial resources to meet its commitments as they fall due or can only secure them at excessive cost.

Market risk – The risk that LBCM's capital or earnings profile is adversely affected by changes in market rates or prices, including but not limited to interest rates, foreign exchange, equity prices and credit spreads.

Model risk – The risk of potential adverse consequences from model errors or the inappropriate use of modelled outputs to inform business decisions. Adverse consequences could lead to a deterioration in the prudential position, non-compliance with applicable laws and/or regulations, or damage to LBCM's reputation. Model risk can also lead to financial loss, as well as qualitative limitations such as the imposition of restrictions on business activities.

Operational risk – The risk of actual or potential impact to LBCM (financial and/or non-financial) resulting from inadequate or failed internal processes, people, and systems or from external events. Resilience is core to the management of operational risk within LBCM to ensure that business processes (including those that are outsourced) can withstand operational risks and can respond to and meet customer and stakeholder needs when continuity of operations is compromised.

This includes the provision of services to LBCM (including people, systems and processes) outsourced to Lloyds Bank plc via a shared service provision model or by external providers via Lloyds Bank plc.

STATUTORY INFORMATION

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CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	Note	Half-year to 30 Jun 2026 £m	Half-year to 30 Jun 2025 £m
Interest income		1,107	1,208
Interest expense		(810)	(1,047)
Net interest income		297	161
Fee and commission income		181	165
Fee and commission expense		(28)	(27)
Net fee and commission income		153	138
Net trading income		147	256
Other operating losses		–	(42)
Other income		300	352
Total income		597	513
Operating expenses	3	(289)	(246)
Impairment charge	4	(4)	(1)
Profit before tax		304	266
Tax expense	5	(26)	(56)
Profit after tax		278	210
Profit attributable to ordinary shareholders		113	175
Profit attributable to other equity holders		165	35
Profit after tax		278	210

The accompanying notes are an integral part of the condensed consolidated half-year financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	Half-year to 30 Jun 2026 £m	Half-year to 30 Jun 2025 £m
Profit after tax	278	210
Other comprehensive income		
Items that may subsequently be reclassified to profit or loss:		
Movements in cash flow hedging reserve:		
Effective portion of changes in fair value taken to other comprehensive income	(98)	67
Deferred Tax	27	(19)
	(71)	48
Net income statement transfers	46	65
Deferred Tax	(13)	(18)
	33	47
	(38)	95
Movements in foreign currency translation reserve, net of tax		
Currency translation differences (tax: £nil)	10	(39)
Total other comprehensive (loss) income for the period, net of tax	(28)	56
Total comprehensive income for the period	250	266
Total comprehensive income attributable to ordinary shareholders	85	231
Total comprehensive income attributable to other equity holders	165	35
Total comprehensive income for the period	250	266

The accompanying notes are an integral part of the condensed consolidated half-year financial statements.

CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)

	Note	At 30 Jun 2026 £m	At 31 Dec 2025 £m
Assets			
Cash and balances at central banks		19,496	18,941
Financial assets at fair value through profit or loss	6	29,103	26,009
Derivative financial instruments	6	19,809	18,314
Loans and advances to banks		1,108	1,027
Loans and advances to customers		21,176	19,756
Reverse repurchase agreements		7,136	7,024
Debt securities		398	379
Due from fellow Lloyds Banking Group undertakings		576	354
Financial assets at amortised cost		30,394	28,540
Current tax recoverable		14	10
Deferred tax assets		46	30
Other assets		4,353	882
Total assets		103,215	92,726
Liabilities			
Deposits from banks		2,818	2,214
Customer deposits		33,859	31,246
Repurchase agreements at amortised cost		801	1,002
Due to fellow Lloyds Banking Group undertakings		582	532
Financial liabilities at fair value through profit or loss	6	27,569	24,182
Derivative financial instruments	6	13,703	12,432
Debt securities in issue at amortised cost	8	11,764	12,583
Other liabilities		4,396	902
Current tax liabilities		25	20
Provisions		11	11
Total liabilities		95,528	85,124
Equity			
Share capital		370	370
Other reserves		(163)	(135)
Retained profits		3,335	3,222
Ordinary shareholders' equity		3,542	3,457
Other equity instruments		4,145	4,145
Total equity		7,687	7,602
Total equity and liabilities		103,215	92,726

The accompanying notes are an integral part of the condensed consolidated half-year financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Attributable to ordinary shareholders					
	Share capital £m	Other reserves £m	Retained profits £m	Total £m	Other equity instruments £m	Total £m
At 1 January 2026	370	(135)	3,222	3,457	4,145	7,602
Comprehensive income						
Profit after tax	–	–	113	113	165	278
Other comprehensive income						
Movements in cash flow hedging reserve, net of tax	–	(38)	–	(38)	–	(38)
Movements in foreign currency translation reserve, net of tax	–	10	–	10	–	10
Total other comprehensive loss	–	(28)	–	(28)	–	(28)
Total comprehensive (loss) income[1]	–	(28)	113	85	165	250
Transactions with owners						
Distributions on other equity instruments	–	–	–	–	(165)	(165)
Total transactions with owners	–	–	–	–	(165)	(165)
At 30 June 2026[2]	370	(163)	3,335	3,542	4,145	7,687

[1] Total comprehensive income attributable to owners of the parent was £250 million.

[2] Total equity attributable to owners of the parent was £7,687 million.

The accompanying notes are an integral part of the condensed consolidated half-year financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) (continued)

	Attributable to ordinary shareholders					
	Share capital £m	Other reserves £m	Retained profits £m	Total £m	Other equity instruments £m	Total £m
At 1 January 2025	370	(236)	2,887	3,021	808	3,829
Comprehensive income						
Profit after tax	–	–	175	175	35	210
Other comprehensive income						
Movements in cash flow hedging reserve, net of tax	–	95	–	95	–	95
Movements in foreign currency translation reserve, net of tax	–	(39)	–	(39)	–	(39)
Total other comprehensive income	–	56	–	56	–	56
Total comprehensive income[1]	–	56	175	231	35	266
Transactions with owners						
Distributions on other equity instruments	–	–	–	–	(35)	(35)
Net issuance of other equity instruments	–	–	–	–	3,337	3,337
Gain on other equity instruments	–	–	4	4	–	4
Total transactions with owners	–	–	4	4	3,302	3,306
At 30 June 2025[2]	370	(180)	3,066	3,256	4,145	7,401
Comprehensive income						
Profit after tax	–	–	156	156	175	331
Other comprehensive income						
Movements in cash flow hedging reserve, net of tax	–	33	–	33	–	33
Movements in foreign currency translation reserve, net of tax	–	12	–	12	–	12
Total other comprehensive income	–	45	–	45	–	45
Total comprehensive income[1]	–	45	156	201	175	376
Transactions with owners						
Distributions on other equity instruments	–	–	–	–	(175)	(175)
Total transactions with owners	–	–	–	–	(175)	(175)
At 31 December 2025[2]	370	(135)	3,222	3,457	4,145	7,602

[1] Total comprehensive income attributable to owners of the parent for the half-year to 30 June 2025 was £266 million (half-year to 31 December 2025: £376 million).

[2] Total equity attributable to owners of the parent at 30 June 2025 was £7,401 million (31 December 2025: £7,602 million).

The accompanying notes are an integral part of the condensed consolidated half-year financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

	Half-year to 30 Jun 2026 £m	Half-year to 30 Jun 2025 £m
Cash flows from operating activities		
Profit before tax	304	266
Adjustments for:		
Change in operating assets	(9,295)	(3,635)
Change in operating liabilities	10,294	255
Non-cash and other items	(27)	774
Net tax paid	(27)	(28)
Net cash generated from / (used in) operating activities	1,249	(2,368)
Cash flows from investing activities		
Purchase of fixed assets	(1)	–
Net cash used in investing activities	(1)	–
Cash flows from financing activities		
Distributions on other equity instruments	(165)	(35)
Interest paid on subordinated liabilities	–	(24)
Interest paid on finance leases	–	(4)
Proceeds from issue of other equity instruments	–	3,637
Gain on repayment of other equity instruments	–	4
Repayment of subordinated liabilities	–	(730)
Repurchases and redemptions of other equity instruments	–	(300)
Net cash (used in) / generated from financing activities	(165)	2,548
Effect of exchange rate changes on cash and cash equivalents	90	(788)
Change in cash and cash equivalents	1,173	(608)
Cash and cash equivalents at beginning of period	19,701	20,664
Cash and cash equivalents at end of period	20,874	20,056

Interest received was £1,070 million (half-year to 30 June 2025: £1,191 million) and interest paid was £757 million (half-year to 30 June 2025: £971 million).

Cash and cash equivalents comprise cash and non-mandatory balances with central banks and amounts due from banks with an original maturity of less than three months.

The accompanying notes are an integral part of the condensed consolidated half-year financial statements.

NOTES TO THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS (UNAUDITED)

Note 1: Basis of preparation and accounting policies

These condensed consolidated half-year financial statements as at and for the period to 30 June 2026 have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority (FCA) and with International Accounting Standard 34 (IAS 34), Interim Financial Reporting as adopted by the United Kingdom and issued by the International Accounting Standards Board (IASB) and comprise the results of Lloyds Bank Corporate Markets plc (the Bank) together with its subsidiaries (the Group). References within this document to LBCM refer to the Group as defined here. Lloyds Banking Group plc is the ultimate parent company of LBCM and is also referred to as LBG in this document. Lloyds and Lloyds Bank are trading names of Lloyds Bank Corporate Markets plc.

The statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Group's consolidated financial statements as at and for the year ended 31 December 2025 which complied with international accounting standards in conformity with the requirements of the Companies Act 2006 and were prepared in accordance with IFRS® Accounting Standards as issued by the IASB. Copies of the 2025 annual report and accounts are available on the Lloyds Banking Group's website and are also available upon request from Investor Relations, Lloyds Banking Group plc, 33 Old Broad Street, London, EC2N 1HZ.

The directors consider that it is appropriate to continue to adopt the going concern basis in preparing these condensed consolidated half-year financial statements. In reaching this assessment, the directors have taken into account the uncertainties affecting the UK economy and their potential effects upon LBCM's performance and projected funding and capital position; the impact of further stress scenarios has also been considered. On this basis, the directors are satisfied that LBCM will maintain adequate levels of funding and capital for the foreseeable future.

LBCM's accounting policies are consistent with those applied by LBCM in its financial statements for the year ended 31 December 2025 and there have been no changes in LBCM's methods of computation.

The IASB has issued its annual improvements and a number of amendments to the IFRS Accounting Standards effective 1 January 2026, including Amendments to IFRS 9 Financial Instruments and Amendments to IFRS 7 Financial Instruments Disclosure. These improvements and amendments have not had a significant impact on LBCM.

Future accounting developments

There are a number of new accounting pronouncements issued by the IASB with an effective date of 1 January 2027, including IFRS 18 Presentation and Disclosure in Financial Statements which replaces IAS 1 Presentation of Financial Statements. While many of the existing requirements of IAS 1 Presentation of Financial Statements are retained, IFRS 18 Presentation and Disclosure in Financial Statements introduces additional disclosure obligations in relation to the structure of the income statement, management-defined performance measures, and the aggregation and disaggregation of financial information. IFRS 18 will have no impact on LBCM's net profit as it impacts neither recognition nor measurement. The new standard will impact the presentation of LBCM's results as it requires that operating, investing and financing activities are presented separately. There will also be a change in LBCM's cash flow statement as IFRS 18 requires that the first line of the cash flow statement is operating profit rather than profit before tax.

IFRS 19 Subsidiaries without Public Accountability: Disclosures is being assessed and is not expected to have a significant impact on LBCM.

Other Information

The Bank's ultimate parent undertaking and controlling party is Lloyds Banking Group plc which is incorporated in Scotland. Lloyds Banking Group plc has published consolidated accounts for the year to 31 December 2025 and copies may be obtained from Investor Relations, Lloyds Banking Group plc, 33 Old Broad Street, London, EC2N 1HZ and are available for download from www.lloydsbankinggroup.com.

The financial information contained in this document does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006 (the Act). The statutory accounts for the year ended 31 December 2025 were approved by the directors on 24 February 2026 and were delivered to the Registrar of Companies on 2 March 2026. The independent auditors' report on those accounts was unqualified and did not include a statement under sections 498(2) (accounting records or returns inadequate or accounts not agreeing with records and returns) or 498(3) (failure to obtain necessary information and explanations) of the Act.

Note 2: Critical accounting judgements and key sources of estimation uncertainty

The preparation of LBCM's financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions in applying the accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based upon amounts which differ from these estimates. Estimates, judgements and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In preparing the financial statements, LBCM has considered the impact of climate-related risks on its financial position and performance. While the effects of climate change represent a source of uncertainty, LBCM does not consider there to be a material impact on its judgements and estimates from the physical, transition and other climate-related risks in the short-term.

LBCM's significant judgements, estimates and assumptions are unchanged compared to those disclosed in note 3 of LBCM's 2025 financial statements. Further information on the critical accounting judgements and key sources of estimation uncertainty for the allowance for expected credit losses is set out in note 7.

Note 3: Operating expenses

	Half-year to 30 Jun 2026 £m	Half-year to 30 Jun 2025 £m
Staff costs	(101)	(107)
Management charges payable	(147)	(101)
Other	(41)	(38)
Total operating expenses	(289)	(246)

Note 4: Impairment

	Half-year to 30 Jun 2026 £m	Half-year to 30 Jun 2025 £m
Loans and advances to banks	–	–
Loans and advances to customers	(3)	(2)
Debt securities	–	–
Financial assets at amortised cost	(3)	(2)
Loan commitments and financial guarantees	(1)	1
Total impairment charge	(4)	(1)

Note 5: Tax

In accordance with IAS 34, LBCM's income tax expense for the half-year to 30 June 2026 is based on the best estimate of the weighted-average annual income tax rate expected for the full financial year. The tax effects of one-off items are not included in the weighted-average annual income tax rate, but are recognised in the relevant period.

An explanation of the relationship between tax expense and accounting profit is set out below:

	Half-year to 30 Jun 2026 £m	Half-year to 30 Jun 2025 £m
Profit before tax	304	266
UK corporation tax thereon at 25.0% (2025: 25.0%)	(76)	(66)
Impact of surcharge on banking profits	–	(2)
Other non-deductible costs	(3)	(4)
Non-taxable income	6	3
Tax relief on coupons on other equity instruments	42	8
Differences in overseas tax rates	4	4
Other adjustments in respect of prior years	1	1
Tax expense	(26)	(56)

Note 6: Fair values of financial assets and liabilities

The valuations of financial instruments have been classified into three levels according to the quality and reliability of information used to determine those fair values. Note 12 to LBCM's financial statements for the year ended 31 December 2025 details the definitions of the three levels in the fair value hierarchy.

Financial instruments classified as financial assets at fair value through profit or loss, derivative financial instruments, financial assets at fair value through other comprehensive income and financial liabilities at fair value through profit or loss are recognised at fair value.

LBCM manages valuation adjustments for its derivative exposures on a net basis; LBCM determines their fair values on the basis of their net exposures. In all other cases, fair values of financial assets and liabilities measured at fair value are determined on the basis of their gross exposures.

Note 6: Fair values of financial assets and liabilities (continued)

The following tables provide an analysis of the financial assets and liabilities of LBCM that are carried at fair value in LBCM's consolidated balance sheet, grouped into levels 1 to 3 based on the degree to which the fair value is observable. There were no significant transfers between level 1 and level 2 during the period.

Financial assets	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
At 30 June 2026				
Financial assets at fair value through profit or loss:				
Loans and advances to customers	–	840	2	842
Reverse repurchase agreements	–	21,007	–	21,007
Debt securities	5,811	1,375	64	7,250
Treasury and other bills	4	–	–	4
Total financial assets at fair value through profit or loss	5,815	23,222	66	29,103
Derivative financial instruments	19	19,303	487	19,809
Total financial assets carried at fair value	5,834	42,525	553	48,912
At 31 December 2025				
Financial assets at fair value through profit or loss:				
Loans and advances to customers	–	782	2	784
Reverse repurchase agreements	–	20,980	–	20,980
Debt securities	2,908	1,201	125	4,234
Treasury and other bills	11	–	–	11
Total financial assets at fair value through profit or loss	2,919	22,963	127	26,009
Derivative financial instruments	9	17,834	471	18,314
Total financial assets carried at fair value	2,928	40,797	598	44,323

Financial liabilities	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
At 30 June 2026				
Financial liabilities at fair value through profit or loss:				
Liabilities in respect of securities sold under repurchase agreements	–	25,185	–	25,185
Short positions in securities	2,317	19	–	2,336
Deposits	–	48	–	48
Total financial liabilities at fair value through profit or loss	2,317	25,252	–	27,569
Derivative financial instruments	20	13,569	114	13,703
Total financial liabilities carried at fair value	2,337	38,821	114	41,272
At 31 December 2025				
Financial liabilities at fair value through profit or loss:				
Liabilities in respect of securities sold under repurchase agreements	–	22,226	–	22,226
Short positions in securities	1,722	234	–	1,956
Deposits	–	–	–	–
Total financial liabilities at fair value through profit or loss	1,722	22,460	–	24,182
Derivative financial instruments	13	12,294	125	12,432
Total financial liabilities carried at fair value	1,735	34,754	125	36,614

Note 6: Fair values of financial assets and liabilities (continued)

Valuation control framework

Key elements of the valuation control framework include model validation (incorporating pre-trade and post-trade testing), product implementation review and independent price verification. The framework covers processes for all 3 levels in the fair value hierarchy. Formal committees meet quarterly to discuss and approve valuations in more judgemental areas.

Transfers into and out of level 3 portfolios

Transfers out of level 3 portfolios arise when inputs that could have a significant impact on the instrument's valuation become market observable; conversely, transfers into the portfolios arise when sources of data cease to be observable.

Valuation methodology

For level 2 and level 3 portfolios, there is no significant change to the valuation methodology (techniques and inputs) disclosed in LBCM's financial statements for the year ended 31 December 2025 applied to these portfolios.

Movements in level 3 portfolio

The tables below analyse movements in the level 3 financial assets portfolio.

	Financial assets at fair value through profit or loss £m	Derivative assets £m	Total financial assets carried at fair value £m
At 1 January 2026	127	471	598
Exchange and other adjustments	–	(2)	(2)
(Losses) gains recognised in the income statement within other income	(49)	28	(21)
Purchases/increases	–	2	2
Sales/repayments	(12)	(12)	(24)
Transfers into the level 3 portfolio	–	–	–
Transfers out of the level 3 portfolio	–	–	–
At 30 June 2026	66	487	553
(Losses) gains recognised in the income statement, within other income, relating to the change in fair value of those assets held at 30 June 2026	(46)	44	(2)
At 1 January 2025	134	749	883
Exchange and other adjustments	–	10	10
Losses recognised in the income statement within other income	(4)	(153)	(157)
Purchases/increases	–	8	8
Sales/repayments	(4)	(4)	(8)
Transfers into the level 3 portfolio	–	2	2
Transfers out of the level 3 portfolio	–	(65)	(65)
At 30 June 2025	126	547	673
Losses recognised in the income statement, within other income, relating to the change in fair value of those assets held at 30 June 2025	(4)	(124)	(128)

Note 6: Fair values of financial assets and liabilities (continued)

The tables below analyse movements in the level 3 financial liabilities portfolio.

	Derivative liabilities £m
At 1 January 2026	125
Exchange and other adjustments	–
Gains recognised in the income statement within other income	(7)
Purchases/increases	1
Sales/repayments	(5)
At 30 June 2026	114
Losses recognised in the income statement, within other income, relating to the change in fair value of those liabilities held at 30 June 2026	11
At 1 January 2025	305
Exchange and other adjustments	12
Gains recognised in the income statement within other income	(140)
Purchases/increases	9
Sales/repayments	(4)
At 30 June 2025	182
Gains recognised in the income statement, within other income, relating to the change in fair value of those liabilities held at 30 June 2025	(110)

Note 6: Fair values of financial assets and liabilities (continued)

Significant unobservable inputs in level 3 valuations

The following tables disclose the valuation techniques and key unobservable inputs for instruments recognised at fair value and classified as level 3 and provides the range of those inputs at the balance sheet date.

For each portfolio, the minimum and maximum significant unobservable inputs that are used in the balance sheet valuation are shown.

Significant unobservable inputs affecting the valuations are unchanged from those described in LBCM's financial statements for the year ended 31 December 2025.

At 30 June 2026	Valuation techniques	Significant unobservable inputs	Minimum	Maximum	Carrying value £m
Financial assets at fair value through profit or loss					
Loans and advances to customers	Discounted cash flows	Credit spreads	190bps	190bps	2
Debt securities	Discounted cash flows	Credit spreads	250bps	650bps	64
					66
Derivative financial assets					
Interest rate derivatives	Option pricing model	Interest rate ATM volatility	56bps	93bps	208
	Discounted cash flows	Uncertainty of recovery rates	40%	90%	279
					487
Level 3 financial assets carried at fair value					553
Derivative financial liabilities					
Interest rate derivatives	Option pricing model	Interest rate ATM volatility	56bps	93bps	103
	Monte Carlo simulation	Price	n/a	n/a	11
Level 3 financial liabilities carried at fair value					114

At 31 December 2025	Valuation techniques	Significant unobservable inputs	Minimum	Maximum	Carrying value £m
Financial assets at fair value through profit or loss					
Loans and advances to customers	Discounted cash flows	Credit spreads	190bps	190bps	2
Debt securities	Discounted cash flows	Price	3%	85%	11
	Discounted cash flows	Credit spreads	565bps	925bps	114
					127
Derivative financial assets					
Interest rate derivatives	Option pricing model	Interest rate ATM volatility	38bps	82bps	209
	Discounted cash flows	Uncertainty of recovery rates	40%	90%	262
					471
Level 3 financial assets carried at fair value					598
Derivative financial liabilities					
Interest rate derivatives	Option pricing model	Interest rate ATM volatility	38bps	82bps	113
	Monte Carlo simulation	Price	n/a	n/a	12
Level 3 financial liabilities carried at fair value					125

Note 6: Fair values of financial assets and liabilities (continued)

Reasonably possible alternative assumptions

Valuation techniques applied to the LBCM's level 3 instruments involve the use of unobservable inputs. The calculation of the effect of reasonably possible alternative assumptions for those inputs are included in the tables and is unchanged from that described in note 12 to the LBCM's financial statements for the year ended 31 December 2025.

For each portfolio, the increases and decreases presented reflect the maximum differences between the significant unobservable inputs used in the balance sheet valuation and those used when applying reasonably possible alternative assumptions.

Sensitivity of level 3 valuations

The tables below set out the effects of reasonably possible alternative assumptions for categories of level 3 financial assets and financial liabilities.

At 30 June 2026	Significant unobservable inputs	Increase	Decrease	Favourable changes[1] £m	Unfavourable changes[1] £m
Financial assets at fair value through profit or loss					
Loans and advances to customers	Credit spreads	150bps	0bps	–	–
Debt securities	Credit spreads	52bps	(85)bps	7	(4)
Derivative financial assets					
Interest rate derivatives	Interest rate ATM volatility	4bps	(4)bps	5	(5)
	Uncertainty of recovery rates	8%	(8)%	21	(21)
Derivative financial liabilities					
Interest rate derivatives	Interest rate ATM volatility	4bps	(4)bps	6	(5)
	Price	0%	(65)%	–	(7)

At 31 December 2025	Significant unobservable inputs	Increase	Decrease	Favourable changes[1] £m	Unfavourable changes[1] £m
Financial assets at fair value through profit or loss					
Loans and advances to customers	Credit spreads	150bps	0bps	–	–
Debt securities	Price	10%	(10)%	1	(1)
	Credit spreads	210bps	(50)bps	9	(30)
Derivative financial assets					
Interest rate derivatives	Interest rate ATM volatility	4bps	(4)bps	4	(4)
	Uncertainty of recovery rates	8%	(8)%	21	(21)
Derivative financial liabilities					
Interest rate derivatives	Interest rate ATM volatility	4bps	(4)bps	4	(3)
	Price	50%	(50)%	6	(6)

[1] Where the exposure to a significant unobservable input is managed on a net basis, only the net impact is shown in the table.

Note 6: Fair values of financial assets and liabilities (continued)

The table below summarises the carrying values of financial assets and liabilities measured at amortised cost in LBCM's consolidated balance sheet. The fair values presented in the table are at a specific date and may be significantly different from the amounts which will actually be paid or received on the maturity or settlement date. The valuation methodology is unchanged from that described in note 12 to the LBCM's financial statements for the year ended 31 December 2025.

	At 30 June 2026		At 31 December 2025	
	Carrying value £m	Fair value £m	Carrying value £m	Fair value £m
Financial assets				
Loans and advances to banks	1,108	1,108	1,027	1,027
Loans and advances to customers	21,176	21,179	19,756	19,770
Reverse repurchase agreements	7,136	7,136	7,024	7,024
Debt securities	398	394	379	377
Due from fellow Lloyds Banking Group undertakings	576	576	354	354
Financial liabilities				
Deposits from banks	2,818	2,818	2,214	2,214
Customer deposits	33,859	33,889	31,246	31,279
Repurchase agreements at amortised cost	801	801	1,002	1,002
Due to fellow Lloyds Banking Group undertakings	582	582	532	532
Debt securities in issue at amortised cost	11,764	11,777	12,583	12,596

The carrying amounts of cash and balances at central banks is a reasonable approximation of their fair values.

Note 7: Allowance for expected credit losses

The calculation of LBCM's allowance for expected credit losses requires LBCM to make a number of judgements, assumptions and estimates. These are set out in full in note 16 to LBCM's financial statements for the year ended 31 December 2025, with the most significant set out below.

The table below analyses total ECL allowance, separately identifying the amounts that have been modelled, those that have been individually assessed and those arising through the application of judgemental adjustment.

	Modelled ECL £m	Individually assessed £m	Judgemental adjustments £m	Total ECL £m
At 30 June 2026	14	1	(2)	13
At 31 December 2025	10	1	–	11

Judgemental adjustments

Corporate insolvency rates: £(2) million (31 December 2025: £(2) million)

The volume of UK corporate insolvencies continues to exhibit an elevated trend beyond December 2019 levels, revealing a marked misalignment between observed UK corporate insolvencies and LBCM's equivalent credit performance. This dislocation gives rise to uncertainty over the drivers of the observed trends in the metric and the appropriateness of LBCM's Commercial Banking model response which uses observed UK corporate insolvencies data to anchor future loss estimates to. Given LBCM's stable credit performance, a negative adjustment is applied by reverting judgementally to the long-term average of the insolvency rate.

Global tariff and political disruption risks: £nil (31 December 2025: £2 million)

An adjustment was previously held to recognise the potential risks to specific drivers across various corporate sectors not reflected in broad macroeconomic model drivers. These were in relation to potential nuanced risks to businesses inherent in the base case which could also worsen in the downside scenarios. This adjustment has been fully released as these risks are considered to be adequately captured within assumptions and resulting modelled provisions.

Note 7: Allowance for expected credit losses (continued)

Base case and MES economic assumptions

LBCM's base case economic scenario has been updated to reflect ongoing geopolitical developments and conditions in financial and commodity markets through to the balance sheet date. LBCM's updated base case scenario has four conditioning assumptions. First, developments in global conflicts, technology or financial sector issues do not cause a significant degree of financial market volatility. Second, a drift towards further deglobalisation and financial market fragmentation continues as part of a reordering of global economic relations, adding to economic frictions. Third, the UK's existing macroeconomic framework for monetary and fiscal policy remains in place, alongside broader continuity on other areas of government policy. Fourth, advancements in AI begin to boost UK productivity growth but worsen the employment outlook in a 'transitional' phase around the turn of the decade.

Based on these assumptions and incorporating the economic data published in the second quarter of 2026, LBCM's base case scenario is for an ongoing expansion in UK and US gross domestic product (GDP). Outcomes for UK and US economic growth and labour market performance are differentiated owing to the divergent exposure to AI-related investments and changes in energy costs driven by the conflict in the Middle East. Although conflict-driven inflationary pressures are yet to peak, UK Bank Rate is expected to remain on hold during 2026, before reaching a 'neutral' policy stance in 2027. Risks around this base case economic view lie in both directions and are largely captured by the generation of alternative economic scenarios.

LBCM's approach to generating alternative economic scenarios is set out in detail in note 16 to the financial statements for the year ended 31 December 2025. LBCM has taken into account the latest available information at the reporting date in defining its base case scenario and generating alternative economic scenarios. The scenarios include forecasts for key variables as at the second quarter of 2026. Actuals for this period, or restatements of past data, may have since emerged prior to publication and have not been included.

Scenarios by year

The key UK economic assumptions made by LBCM are shown in the following tables across a number of measures explained below.

Annual assumptions

Gross domestic product (GDP) growth is presented as an annual change, with commercial real estate price growth presented as the growth in the index over each year. Unemployment rate and UK Bank Rate are averages over the year.

Five-year average

The five-year average reflects the average annual growth rate, or level, over the five-year period. It includes movements within the current reporting year, such that the position as of 30 June 2026 covers the five years 2026 to 2030. The inclusion of the reporting year within the five-year period reflects the need to predict variables which remain unpublished at the reporting date and recognises that credit models utilise both level and annual changes. The use of calendar years maintains a comparability between the annual assumptions presented.

Note 7: Allowance for expected credit losses (continued)

At 30 June 2026	2026 %	2027 %	2028 %	2029 %	2030 %	2026 to 2030 average %
Upside						
UK Gross domestic product growth	1.4	2.4	1.9	1.6	1.6	1.8
UK Unemployment rate	4.8	3.7	3.1	3.1	3.3	3.6
UK Commercial real estate price growth	3.3	6.6	3.1	2.0	0.7	3.1
UK Bank Rate	3.85	4.79	5.19	5.46	5.65	4.99
US Gross domestic product	2.3	3.9	2.2	0.4	0.5	1.8
US Unemployment rate	4.2	3.0	2.4	3.0	3.8	3.3
Base case						
UK Gross domestic product growth	1.0	1.0	1.5	1.6	1.6	1.4
UK Unemployment rate	5.2	5.4	5.0	4.7	4.7	5.0
UK Commercial real estate price growth	(0.3)	0.0	0.9	0.8	0.0	0.3
UK Bank Rate	3.75	3.63	3.50	3.50	3.50	3.58
US Gross domestic product	1.9	1.9	1.8	1.5	1.7	1.7
US Unemployment rate	4.4	4.3	4.1	4.1	4.2	4.2
Downside						
UK Gross domestic product growth	0.6	(1.2)	0.5	1.4	1.7	0.6
UK Unemployment rate	5.6	7.5	7.7	7.3	7.0	7.0
UK Commercial real estate price growth	(3.5)	(8.7)	(3.2)	(2.1)	(2.7)	(4.0)
UK Bank Rate	3.65	2.04	1.04	0.71	0.49	1.59
US Gross domestic product	1.6	(0.1)	1.2	2.6	2.9	1.7
US Unemployment rate	4.6	5.7	5.9	5.4	4.6	5.2
Severe downside						
UK Gross domestic product growth	0.1	(3.3)	(0.1)	1.2	1.5	(0.1)
UK Unemployment rate	6.2	10.1	10.4	9.8	9.3	9.2
UK Commercial real estate price growth	(8.6)	(17.8)	(8.7)	(6.5)	(6.1)	(9.6)
UK Bank Rate	3.49	0.64	0.07	0.02	0.01	0.85
US Gross domestic product	1.1	(3.0)	0.5	4.3	4.7	1.6
US Unemployment rate	4.9	7.9	8.8	7.2	5.3	6.8
Probability-weighted						
UK Gross domestic product growth	0.9	0.4	1.1	1.5	1.6	1.1
UK Unemployment rate	5.3	6.0	5.8	5.5	5.4	5.6
UK Commercial real estate price growth	(1.0)	(2.4)	(0.6)	(0.4)	(1.2)	(1.1)
UK Bank Rate	3.72	3.20	2.93	2.90	2.89	3.13
US Gross domestic product	1.9	1.4	1.6	1.8	2.0	1.7
US Unemployment rate	4.5	4.7	4.6	4.5	4.3	4.5

Note 7: Allowance for expected credit losses (continued)

At 31 December 2025	2025 %	2026 %	2027 %	2028 %	2029 %	2025 to 2029 average %
Upside						
UK Gross domestic product growth	1.4	2.0	2.3	1.6	1.6	1.8
UK Unemployment rate	4.8	4.2	3.2	3.1	3.2	3.7
UK Commercial real estate price growth	1.2	7.9	4.9	1.7	0.8	3.2
UK Bank Rate	4.13	3.94	4.59	5.07	5.33	4.61
US Gross domestic product	1.9	3.0	3.4	1.3	0.5	1.8
US Unemployment rate	4.3	3.7	2.6	2.8	3.6	3.4
Base case						
UK Gross domestic product growth	1.4	1.2	1.4	1.5	1.6	1.4
UK Unemployment rate	4.8	5.2	4.8	4.6	4.5	4.8
UK Commercial real estate price growth	1.2	0.6	1.7	0.5	0.2	0.9
UK Bank Rate	4.13	3.44	3.25	3.44	3.50	3.55
US Gross domestic product	1.9	1.6	1.7	1.9	1.8	1.7
US Unemployment rate	4.3	4.5	4.5	4.3	4.3	4.4
Downside						
UK Gross domestic product growth	1.4	(0.3)	(0.5)	1.1	1.6	0.7
UK Unemployment rate	4.8	6.6	7.5	7.4	7.0	6.7
UK Commercial real estate price growth	1.2	(7.1)	(4.2)	(2.7)	(2.3)	(3.1)
UK Bank Rate	4.13	2.74	1.09	0.75	0.52	1.85
US Gross domestic product	1.9	0.4	0.2	2.2	3.1	1.6
US Unemployment rate	4.3	5.2	6.2	5.9	5.1	5.3
Severe downside						
UK Gross domestic product growth	1.4	(1.9)	(1.8)	0.7	1.4	0.0
UK Unemployment rate	4.8	8.3	10.2	9.9	9.4	8.5
UK Commercial real estate price growth	1.2	(17.4)	(9.8)	(7.4)	(5.4)	(8.0)
UK Bank Rate	4.13	1.91	0.10	0.03	0.01	1.24
US Gross domestic product	1.9	(1.6)	(2.1)	3.1	5.1	1.4
US Unemployment rate	4.3	6.4	9.0	8.3	6.2	6.8
Probability-weighted						
UK Gross domestic product growth	1.4	0.7	0.8	1.3	1.6	1.2
UK Unemployment rate	4.8	5.6	5.7	5.5	5.4	5.4
UK Commercial real estate price growth	1.2	(1.3)	(0.3)	(0.9)	(0.9)	(0.4)
UK Bank Rate	4.13	3.23	2.69	2.78	2.81	3.13
US Gross domestic product	1.9	1.3	1.4	1.9	2.1	1.7
US Unemployment rate	4.3	4.7	4.9	4.7	4.5	4.6

Note 7: Allowance for expected credit losses (continued)

Base case scenario by quarter

Gross domestic product growth is presented quarter-on-quarter. Commercial real estate price growth is presented year-on-year, i.e. from the equivalent quarter in the previous year. Unemployment rate and UK Bank Rate are presented as at the end of each quarter.

At 30 June 2026	First quarter 2026 %	Second quarter 2026 %	Third quarter 2026 %	Fourth quarter 2026 %	First quarter 2027 %	Second quarter 2027 %	Third quarter 2027 %	Fourth quarter 2027 %
UK Gross domestic product growth	0.6	0.1	0.1	0.2	0.3	0.3	0.3	0.3
UK Unemployment rate	5.0	5.0	5.2	5.4	5.5	5.4	5.3	5.2
UK Commercial real estate price growth	0.8	0.3	(0.2)	(0.3)	(0.3)	(0.2)	(0.1)	0.0
UK Bank Rate	3.75	3.75	3.75	3.75	3.75	3.75	3.50	3.50
US Gross domestic product	0.4	0.5	0.4	0.4	0.5	0.5	0.5	0.5
US Unemployment rate	4.3	4.4	4.5	4.5	4.5	4.4	4.3	4.2

At 31 December 2025	First quarter 2025 %	Second quarter 2025 %	Third quarter 2025 %	Fourth quarter 2025 %	First quarter 2026 %	Second quarter 2026 %	Third quarter 2026 %	Fourth quarter 2026 %
UK Gross domestic product growth	0.7	0.3	0.1	0.3	0.3	0.3	0.4	0.4
UK Unemployment rate	4.5	4.7	5.0	5.1	5.3	5.3	5.2	5.1
UK Commercial real estate price growth	2.5	2.6	2.6	1.2	0.5	0.2	0.1	0.6
UK Bank Rate	4.50	4.25	4.00	3.75	3.75	3.50	3.25	3.25
US Gross domestic product	(0.2)	0.9	0.7	0.2	0.3	0.3	0.4	0.4
US Unemployment rate	4.1	4.2	4.3	4.4	4.4	4.5	4.5	4.6

ECL sensitivity to economic assumptions

The table below shows LBCM's ECL for the probability-weighted, upside, base case, downside and severe downside scenarios. The stage allocation for an asset is based on the overall scenario probability-weighted PD and hence the staging of assets is typically constant across all the scenarios. ECL for post-model adjustments have been apportioned relative to their sensitivity in each scenario. Judgements applied through changes to inputs are reflected in the scenario sensitivities.

	Probability-weighted £m	Upside £m	Base case £m	Downside £m	Severe downside £m
At 30 June 2026	13	8	10	15	27
At 31 December 2025	11	7	9	12	23

Note 7: Allowance for expected credit losses (continued)

Movement in expected credit loss allowance

	Half-year to 30 June 2026 £m	Half-year to 31 December 2025 £m	Half-year to 30 June 2025 £m
Opening ECL at start of period	11	13	12
Write-offs and other	(2)	(2)	–
Income statement charge	4	–	1
Net ECL increase (decrease)	2	(2)	1
Closing ECL at end of period	13	11	13

Note 8: Debt securities in issue at amortised cost

	At 30 Jun 2026 £m	At 31 Dec 2025 £m
Senior unsecured notes issued	2,674	3,615
Certificates of deposit issued	5,565	4,850
Commercial paper	3,525	4,118
Total debt securities in issue at amortised cost	11,764	12,583

Note 9: Dividends on ordinary shares

The Bank did not pay a dividend in the period to 30 June 2026 (31 December 2025: £nil). The directors have not proposed an interim dividend at the date of publication.

Note 10: Related party transactions

Balances and transactions with fellow Lloyds Banking Group undertakings

The Bank and its subsidiaries have balances due to and from the Bank's ultimate parent company, Lloyds Banking Group plc, and fellow Lloyds Banking Group undertakings. These are included on the balance sheet as follows:

	At 30 Jun 2026 £m	At 31 Dec 2025 £m
Assets, included within:		
Financial assets at fair value through profit or loss	44	32
Derivative financial instruments	2,368	2,225
Financial assets at amortised cost: due from fellow Lloyds Banking Group undertakings	576	354
Liabilities, included within:		
Due to fellow Lloyds Banking Group undertakings	582	532
Financial liabilities at fair value through profit or loss	502	515
Derivative financial instruments	1,149	1,171
Debt securities in issue at amortised cost	102	100
Other equity instruments:		
Additional tier 1 instruments	4,145	4,145

Balances and transactions with Lloyds Banking Group plc and fellow Lloyds Banking Group undertakings: In the half-year to 30 June 2026 LBCM earned interest income of £4 million (half-year to 30 June 2025: £nil) and incurred £9 million of interest expense (half-year to 30 June 2025: £122 million); and recognised net fee and commission income of £66 million (half-year to 30 June 2025: £63 million).

Management charges payable to Lloyds Bank plc of £147 million have been incurred in the six months to 30 June 2026 (half-year ended 30 June 2025: £101 million).

A regulatory capital restructuring exercise was undertaken for the year ended 31 December 2025. Senior MREL funding (debt securities at amortised cost) and tier 2 capital (subordinated liabilities) were repaid, with the associated charges recognised through other income. New additional tier 1 capital was then issued (other equity instruments above).

Other related party transactions

Other related party transactions for the half-year to 30 June 2026 are similar in nature to those for the year ended 31 December 2025.

Note 11: Contingent liabilities, commitments and guarantees

Contingent liabilities, commitments and guarantees arising from the banking business

At 30 June 2026 contingent liabilities, such as performance bonds and letters of credit, arising from the banking business were £16 million (31 December 2025: £23 million).

The contingent liabilities of LBCM arise in the normal course of its banking business and it is not practicable to quantify their future financial effect. Total commitments and financial guarantees were £25,665 million (31 December 2025: £23,069 million), of which in respect of undrawn formal standby facilities, credit lines and other commitments to lend, £25,160 million (31 December 2025: £22,583 million) was irrevocable.

Legal actions and regulatory matters

In the course of its business LBCM is subject to complaints and threatened or actual legal proceedings (including class or group actions) brought by or on behalf of current or former employees, customers (including their appointed representatives), investors or other third parties, as well as legal and regulatory reviews, enquiries and examinations, requests for information, audits, challenges, investigations and enforcement actions, which could relate to a number of issues. This includes matters in relation to compliance with applicable laws and regulations, such as those relating to prudential regulation, employment, consumer protection, investment advice, business conduct, systems and controls, environmental, sustainability, competition/anti-trust, tax, anti-bribery, anti-money laundering and sanctions, some of which may be beyond LBCM's control, both in the UK and overseas. Where material, such matters are periodically reassessed, with the assistance of external professional advisers where appropriate, to determine the likelihood of LBCM incurring a liability. LBCM does not currently expect the final outcome of any such case to have a material adverse effect on its financial position, operations or cash flows.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors listed below (being all the directors of Lloyds Bank Corporate Markets plc) confirm that to the best of their knowledge these condensed consolidated half-year financial statements have been prepared in accordance with UK adopted International Accounting Standard 34, Interim Financial Reporting, and that the half-year management report herein includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R, namely:

- an indication of important events that have occurred during the six months ended 30 June 2026 and their impact on the condensed consolidated half-year financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the six months ended 30 June 2026 and any material changes in the related party transactions described in the last annual report.

Signed on behalf of the Board by

Carla Antunes da Silva
Chief Executive Officer
29 July 2026

Lloyds Bank Corporate Markets plc Board of directors:

Executive directors

Carla Antunes da Silva (Chief Executive Officer)

Victoria Abueita (Chief Financial Officer)

Non-executive directors

Ruth Anderson

Mark Basten

Nathan Bostock (Chair)

Eve Henrikson

Catriona Meharry

John Owen

David Todd

Changes to the composition of the Board since 1 January 2026 up to the date of this report are shown below:

Catriona Meharry (appointed 1 January 2026)

David Todd (appointed 12 February 2026)

Victoria Abueita (appointed 26 February 2026)

Julienne Daglish (resigned 25 February 2026)

Andrew McIntyre (resigned 31 March 2026)

INDEPENDENT REVIEW REPORT TO LLOYDS BANK CORPORATE MARKETS PLC

Conclusion

We have been engaged by Lloyds Bank Corporate Markets plc and its subsidiaries (the "Group") to review the condensed consolidated set of financial statements in the half-yearly financial report for the six months ended 30 June 2026 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated balance sheet, the condensed consolidated statement of changes in equity, the condensed consolidated cash flow statement and related notes 1 to 11.

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated set of financial statements in the half-yearly financial report for the six months ended 30 June 2026 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Financial Reporting Council for use in the United Kingdom (ISRE (UK) 2410). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the Group will be prepared in accordance with United Kingdom adopted international accounting standards. The condensed consolidated set of financial statements included in this half-yearly financial report have been prepared in accordance with United Kingdom adopted International Accounting Standard 34 - Interim Financial Reporting.

Conclusion Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE (UK) 2410; however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly financial report, we are responsible for expressing to the Group a conclusion on the condensed consolidated set of financial statements in the half-yearly financial report. Our Conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

INDEPENDENT REVIEW REPORT TO LLOYDS BANK CORPORATE MARKETS PLC (continued)

Use of our report

This report is made solely to the Group in accordance with ISRE (UK) 2410. Our work has been undertaken so that we might state to the Group those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP
Statutory Auditor
London, England

29 July 2026

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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